

LEGISLATIVE RESEARCH COMMISSION

DAY CARE



REPORT TO THE
1983 GENERAL ASSEMBLY
OF NORTH CAROLINA

LEGISLATIVE RESEARCH COMMISSION

DAY CARE



REPORT TO THE
1983 GENERAL ASSEMBLY
OF NORTH CAROLINA

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STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



January 6, 1983

TO THE MEMBERS OF THE 1983 GENERAL ASSEMBLY:

The report of the Legislative Research Commission's Committee on Day Care made pursuant to Resolution 61 of the 1981 Session is attached.

The Legislative Research Commission adopts, approves and recommends to the 1983 Regular Session of the General Assembly the recommendations, Proposals and Resolution contained in this report.

Respectfully submitted,


Liston B. Ramsey


W. Craig Lawing

Cochairmen

PREFACE

The Legislative Research Commission, authorized by Article 6B of Chapter 120 of the General Statutes, is a general purpose study group. The Commission is cochaired by the Speaker of the House and the President Pro Tempore of the Senate and has ten additional members, five appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, such studies of and investigation into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most effective manner (G.S. 120-30.17(1)).

At the direction of the 1981 General Assembly, the Legislative Research Commission has undertaken studies of numerous subjects. These studies were grouped into broad categories, and each member of the Commission was given responsibility for one category of study. The Cochairmen of the Legislative Research Commission, under the authority of General Statutes 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Cochairmen, one from each house of the General Assembly, were designated for each committee.

The study of Day Care in North Carolina was authorized by Resolution 61 of the 1981 Session Laws.

The Legislative Research Commission grouped this study in its Social Services area under the direction of Senator Russell Walker. The Cochairmen of the study committee established by the Research Commission are Senator William Creech and Representative Louise Brennan. A membership list of the Legislative Research Commission and a membership list of the Study Committee may be found in Appendix A of this report. Resolution 61 authorizing the study and House Joint Resolution 223 which the committee was authorized to consider in determining the scope of the study are attached as Appendix B.

Resolution 61 states that the Research Commission may, for any study topic listed in the resolution, make an interim report to the 1982 Session of the 1981 General Assembly or a final report to the 1983 General Assembly, or both. The Research Commission did not make an interim report on Day Care in this State to the 1982 Session of the 1981 General Assembly. This report, therefore, contains all the recommendations concerning Day Care made by the Research Commission.

COMMITTEE PROCEEDINGS

The Legislative Research Commission Study Committee on Day Care met six times.

The Committee was charged with a great deal and had to spend the first two meetings hearing from the public and narrowing the scope of its study. It decided to focus on obtaining a sophisticated study of the cost both to the State and to the parent per child in every sort of day care in the State and to examine enforcement and standards problems. Copies of all reports presented to the Committee are on file in the Legislative Library.

The Committee decided to endorse a special appropriations bill in the short session this summer to provide funds to the Department of Administration to undertake the cost study. On December 6, 1982, the Committee received the Department's instruments of survey and its preliminary report. (See Appendix C.) The Department will deliver its final report to appropriate legislative staff to be filed with its preliminary report in the Legislative Library.

The Committee decided to recommend several changes in the enforcement law, changes that will permit proper inspection while guaranteeing the rights of the individual proprietor, and permit adequate and timely hearings and penalties. It also formally recommended tax legislation to back federal law regarding employer-sponsored employee benefits and to transfer day care privilege tax to day care information services. In

addition, it decided to recommend certain changes in teacher, teacher aide and proprietor standards, changes in tolerance allowance, the development of a definition of "temporary" day care, and the creation of a matching fund to permit establishment of county day care coordinating agencies.

In the middle of its substantive study, the Committee was asked by the Agency Review Committee to take over the task of solving the duplication of monitoring, training and other efforts of the Office of Day Care Licensing, Department of Administration and the Office of Day Care Services, Department of Human Resources. The Committee met several additional times postponing its substantive agenda, and received a number of proposals on the duplication issue. (See Appendix D.) At the request of the Governor, The Committee held off on a decision regarding these proposals, being promised that an acceptable executive solution was forthcoming. At the Committee's last meeting, on December 6, this executive agreement was presented by Henry McKoy, Deputy Secretary of the Department of Administration and Lucy Bode, Deputy Secretary of the Department of Human Resources. (See Appendix E.) The Committee was disappointed to discover that this agreement was little more than a document of cooperation that did not solve all the duplication problems the Committee had heard testimony about and that it left several vital procedural issues unclear. The Committee decided to accept the agreement for transmittal and to see how it worked for a period of four months. The Committee requested Henry McKoy and Lucy Bode to report to the General Assembly by

May 12 on the progress of the agreement. The Committee informed the Administration that although it would not be in existence at that time, its present members, in particular its present members who are legislators, will be very interested in the report and will be quite ready at that time to introduce legislative cures, should the agreement not be functioning suitably. The Committee decided to make no legislative changes regarding duplication in its final report but to give the agreement a chance to work.

The Committee adjourned after noting to recommend that the initial study of Day Care be continued.

RECOMMENDATIONS

Recommendation 1. The Committee recommends acceptance and careful consideration of the Department of Administration's cost study, as it exists at this time in a preliminary report, and as it will exist in its completed form on file in the Legislative Library. (See Appendix C.)

Recommendation 2. The Committee recommends legislation making several changes in the day care licensing enforcement law, changes that will permit proper inspection while guaranteeing the rights of the individual operator, and permit adequate and timely hearing and penalties. (Legislative Proposals 1, 2.)

Recommendation 3. The Committee recommends legislation changing the State law to track federal law which includes employer-sponsored day care as an employer benefit along with health care premium contribution, thus rewriting the amount paid by the employer for day care from the employee's gross income. The fiscal impact will, at present, be minimal. (Legislative Proposal 3.)

Recommendation 4. The Committee recommends legislation transferring day care facility privilege license tax revenues to the Department of Administration to be used for a statewide information system for child day care to improve public understanding of day care needs and problems. (Legislative Pro-

posal 4; attached fiscal note.)

Recommendation 5. The Committee recommends legislation to appropriate \$100,000 to be placed in a reserve fund for counties to use on a matching basis (up to \$5,000 for each county or combination of counties) for county day care coordinating agencies. "Day Care" for purposes of this proposal includes adult day care. (Legislative Proposal 5.)

Recommendation 6. The Committee recommends legislation re-writing the term "mentally retarded" from the conditions prohibiting individuals being proprietors of day care plans and facilities. The law clearly excludes any persons who are dangerous to children from operating day care plans or facilities. There is no reason to stigmatize the mentally retarded who are not dangerous. Those who are, of course, remain excluded. (Legislative Proposal 4.)

Recommendation 7. The Committee recommends legislation reducing the allowable overenrollment tolerance level to five percent (5%), based on total center enrollment, not on individual group or class enrollment. (Legislative Proposal 7.)

Recommendation 8. The Committee recommends legislation clarifying the definition of "day care plan". (Legislative Proposal 8.)

Recommendation 9. The Committee recommends legislation clarifying the definition of "day care facility". (Legislative Proposal 9.)

Recommendation 10. The Committee recommends legislation requiring the licensing of all day care plans who require fees for providing care. (Legislative Proposal 10.)

Recommendation 11. The Committee recommends legislation prohibiting a person under 18 from serving as a day care facility as a teacher or a teacher's aid unless the person is a student in an accredited internship program or is a volunteer sponsored and supervised by a community service program such as the Girl Scouts. (Legislative Proposal 11.)

Recommendation 12. The Committee recommends that the North Carolina Day Care Licensing Commission devise a new definition for 'temporary' day care, by which definition and appropriate registration or licensing requirements will be suitable on a statewide level.

Recommendation 13. The Committee endorses the effort of the Department of Administration and the Department of Human Resources to resolve the monitoring, training and other duplications that are the result of the two agencies' day care services. However, the Committee does not endorse the memorandum of agreement presented to it on December 6, 1982, and

incorporated into this report in Appendix , but merely accepts it for transmittal. The Committee was disappointed that so much was left unclear and that some real duplications seem to remain. The agencies will report to the General Assembly by May 12 on the progress of the agreement. At that time, members of the legislature who are present members of the Committee may either endorse implementing legislation or may choose to introduce legislation that will seek further cures.

Recommendation 14. The Committee recommends that the study of day care be continued. The Committee is satisfied with its beginning day care study but acknowledged that much more remains to be studied. (House Joint Resolution 1.)

FOR REVIEW ONLY

A BILL TO BE ENTITLED AN ACT TO AUTHORIZE DAY CARE LICENSING INSPECTIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. Chapter 110, Article 7, is amended by adding a new section to read:

"§110-105. Authority to inspect facilities.--(a) The Commission shall adopt standards, rules and regulations under this subsection which provide for the following types of inspections:

- (1) an initial licensing or certification inspection, which shall not occur until the administrator of the facility receives prior notice of the initial inspection or certification visit;
- (2) a plan for routine inspections of all facilities, which shall be confidential unless a court orders its disclosure, and which shall be conducted without prior notice to the facility;
- (3) an inspection that may be conducted without notice, if there is probable cause to believe that an emergency situation exists or there is a complaint alleging a violation of licensure law.

The Secretary or his designee, upon presenting appropriate credentials to the operator of the day-care facility, is authorized to perform inspections in accordance with the

standards, rules and regulations promulgated under this subsection.

(b) If an operator refuses to allow the Secretary or his designee to inspect the day-care facility, the Secretary shall seek an administrative warrant in accordance with G.S. 15-27.2."

Sec. 2. This act shall be effective on October 1, 1983.

STATE
FOR REVIEW ONLY

A BILL TO BE ENTITLED AN ACT TO IMPROVE THE ENFORCEMENT OF DAY
CARE LICENSING.

The General Assembly of North Carolina enacts:

Section 1. G.S. 110-88(2) is amended by deleting
the words:

"To approve the issuance of licenses for day-care
facilities", and inserting in lieu thereof the words "To
require that the issuance of licenses for day-care facilities
be".

Sec. 2. G.S. 110-88(9) is rewritten to read:

"The Commission, or a panel thereof, shall serve as an
administrative appeal body to determine all issues related to
the issuance, renewal and revocation of licenses. The Commission
may appoint panels consisting of no less than 3 members, including
at least one licensed operator, one citizen member, and one
other member appointed by the Chairman, to hear contested
cases as an administrative appeal body. The Commission shall
adopt rules to implement this section. The Commission, or
panels, shall also be empowered to impose civil penalties, as
well as suspend or revoke a license for a specified time period,
under rules adopted for that purpose provided that the maximum
civil penalty shall not exceed that specified in G.S. 110-103.1."

Sec. 3. G.S. 110-90 is amended by adding a new
subdivision to read:

"(9) To levy a civil penalty as provided in G.S. 110-103.1, after a hearing before the Commission or panel thereof as provided in G.S. 110-88(9)."

Sec. 4. Chapter 110 of the General Statutes is amended by rewriting the catch line of G.S. 110-103 to read "Criminal penalty", and by adding a new section to read:

"§110-103.1. Civil penalty.--(a) A civil penalty of not more than one thousand dollars (\$1,000) may be levied against any licensee who violates any provision of this Article. Every licensee shall be provided a schedule of the civil penalties established by the Commission pursuant to this Article.

(b) In determining the amount of the penalty, the threat of or extent of harm to children in care as well as consistency of violations shall be considered, and no penalty shall be imposed under this section unless the Commission or panel specifically finds that such action is reasonably necessary to enforce the provisions of this Article or rules or regulations adopted thereunder.

(c) After a hearing by the Commission or hearing panel as provided in G.S. 110-88(9), the person assessed shall be notified of the assessment by registered or certified mail, and the notice shall specify the reasons for the assessment. If the licensee assessed fails to pay the amount of the assessment by registered or certified mail, and the notice shall specify the reasons for the assessment. If the licensee assessed fails to pay the amount of the assessment to the department within 30 days after receipt of notice, or such longer period, not to exceed 180 days, as may be specified in the notice, the

secretary may institute a civil action in the superior court of the county in which the violation occurred, or, in the discretion of the department, in the superior court of the county in which the person assessed has his principal place of business, to recover the amount of the assessment. In any such civil action, the scope of the court's review of the actions which shall include a review of the amount of the assessment, shall be as provided in Chapter 150A of the General Statutes."

Sec. 5. Chapter 132 of the General Statutes applies to all records generated or dealt with pursuant to this Act except for complaints, until evidence generated by the complaint is to be used at the hearing, except for Division of Social Services protective services reports and except for medical reports on file.

Sec. 6. This act shall become effective October 1, 1983.

DO NOT
FORGET TO FILE

A BILL TO BE ENTITLED AN ACT TO EXCLUDE FROM GROSS INCOME AMOUNTS PAID BY AN EMPLOYER FOR DEPENDENT CARE ASSISTANCE PROVIDED FOR THE BENEFIT OF THE EMPLOYEE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-141(b)(9) is amended as follows:

1. by deleting the word "and" at the end of paragraph a.;
2. by deleting the period at the end of paragraph b. and inserting the phrase "; and" in lieu thereof; and
3. by adding a new paragraph to read:

"c. Amounts paid or incurred by an employer for dependent care assistance provided to the employee to the extent these amounts are excluded from gross income under section 129 of the Internal Revenue Code of 1954 as amended."

Sec. 2. This act is effective for taxable years beginning on or after January 1, 1983.

DRAFT
FOR REVIEW ONLY

A BILL TO BE ENTITLED AN ACT TO SPECIFY THAT REVENUE FROM THE PRIVILEGE LICENSE TAX ON DAY-CARE FACILITIES BE USED FOR A STATEWIDE INFORMATION SYSTEM ON DAY CARE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-60 is amended by designating the current language as subsection (a) and by adding a new subsection (b) to read:

"(b) All revenues received from this tax shall be provided to the Department of Administration to be used for a statewide information system for child day care to carry out the intent of G.S. 110-85(3) in improving public understanding of day-care needs and problems."

Sec. 2. This act is effective upon ratification and applies to taxes collected under G.S. 105-60 on or after that date.

NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE SERVICES OFFICE
2129 STATE LEGISLATIVE BUILDING
RALEIGH 27611



W. L. ALLEN, JR.
LEGISLATIVE SERVICES OFFICER

November 3, 1982

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GENERAL RESEARCH DIVISION
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BILL DRAFTING DIVISION
TELEPHONE: 733-6660

MEMORANDUM

TO: Susan Sabre, Staff Attorney
Day-Care Licensing Study Commission

FROM: Dave Crotts, Senior Fiscal Analyst *dc*
Fiscal Research Division

SUBJECT: Day-Care Privilege License Tax

Based on an analysis of receipts for the last few years as well as discussions with the Department of Revenue, I estimate that 1983-84 fiscal year collections under G.S. 105-60 will be \$90,000.

DC:djb

DRAFT
FOR REVIEW ONLY

A BILL TO BE ENTITLED AN ACT TO APPROPRIATE MATCHING FUNDS
FOR COUNTY DAY CARE COORDINATING AGENCIES.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Human Resources the sum of one hundred thousand dollars (\$100,000) for fiscal year 1983, and the sum of one hundred thousand dollars (\$100,000) for fiscal year 1984, to provide funds on a matching basis to counties to aid them in establishing county day care coordinating agencies. Each county or group of counties coming together may receive up to five thousand dollars (\$5000) in matching funds.

Sec. 2. Notwithstanding any provisions of the Executive Budget Act, there shall be no transfers into this fund. There shall be no transfers out of this fund for any purposes other than authorized by Section 1 of this act.

Sec. 3. This act shall become effective July 1, 1983.

DRAFT
FOR REVIEW ONLY

A BILL REMOVING MENTAL RETARDEDNESS ALONE FROM THE CONDITIONS
PROHIBITING A PERSON FROM WORK IN A DAY-CARE CENTER.

The General Assembly of North Carolina enacts:

Section 1. G.S. 110-90.1 and 110-91(8) are amended
by deleting the phrase "mentally retarded".

Sec. 2. This act shall become effective October
1, 1983.

LEGISLATIVE PROPOSAL 7

DRAFT
FOR REVIEW ONLY

A BILL TO BE ENTITLED AN ACT TO REDUCE OVERENROLLMENT
TOLERANCE IN DAY CARE FACILITIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 110-91(7)(c) is amended by rewriting the first sentence to read: "Any facility may provide care for five percent (5%) more children than the number for which it is licensed, based on total enrollment, including preschool and school-age children."

Sec. 2. This act shall become effective on October 1, 1983.

DRAFT
FOR REVIEW ONLY

A BILL TO BE ENTITLED AN ACT TO CLARIFY THE DEFINITION OF
DAY CARE PLAN.

The General Assembly of North Carolina enacts:

Section 1. G.S. 110-30(4) is rewritten to read:

"(4) 'Day-care plan' includes any day-care program or child-care arrangement where any person provides day care for more than one child and less than six children, wherever operated, and whether or not operated for profit. The pre-school age children of the plan provider or operator shall be counted in this number as shall be those after-school children kept who are not children of the plan provider. The plan provider shall be the individual who is registered or licensed, and actually operating the program."

Sec. 2. This act shall become effective October 1, 1983.

DRAFT
FOR REVIEW ONLY

A BILL TO BE ENTITLED AN ACT TO CLARIFY THE DEFINITION OF
DAY-CARE FACILITY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 110-86(3) is rewritten to read:

"(3) 'Day-care facility' includes any day-care center which provides day care for more than five children, not including the operator's after-school children, under the age of thirteen, on a regular basis of at least once per week for more than four hours but less than 24 hours per day, regardless of the time of day and regardless of whether the same children attend regularly. The following are not included: public schools; nonpublic schools, whether or not accredited by the State Department of Public Instruction, which regularly and exclusively provide a course of grade school instruction to children who are of public school age; summer camps having children in full-time residence; Bible schools conducted during vacation periods, and cooperative arrangements among parents to provide care for their own children as a convenience rather than for employment."

Sec. 2. This act shall become effective October 1, 1983.

DRAFT
FOR REVIEW ONLY

A BILL TO BE ENTITLED AN ACT TO REQUIRE MANDATORY LICENSING OF ALL DAY CARE PLANS WHICH REQUIRE FEES FOR KEEPING CHILDREN.

The General Assembly of North Carolina enacts:

Section 1. G.S. 110-~~75~~(3) is amended by deleting the phrase "mandatory licensing of day-care facilities" and by substituting: "mandatory licensing of day-care facilities and of day-care plans which requires fees for keeping children".

Sec. 2. G.S. 110-~~75~~(3) is further amended by deleting the phrase "registration of day-care plans which are too small to be regulated through licensing" and by substituting: "registration of day-care plans which do not require fees for keeping children".

Sec. 3. G.S. 110-~~74~~(4) is rewritten to read:

"(4) Day-care plan includes any day-care program or child-care arrangement where any person provides day care for more than one child and less than six children, wherever operated, and whether or not operated for profit. The pre-school age children of the plan provider or operator shall be counted in this number as shall be the after-school children kept who are not children of the operator. If the plan provider requires fees for care provided, the plan shall be licensed pursuant to this Article. If no fees are required, registration is required. The plan provider or operator shall be the individual who is registered or licensed, and actually operating the program."

Sec. 4. G.S. 110-86(6) and (7) and G.S. 110-88(1) are amended by inserting immediately after the phrase "day-care facility", wherever it appears, the phrase "or day-care plan requiring fees to keep children".

Sec. 5. G.S. 110-88(2) is amended by inserting immediately after the phrase "day-care facilities" the phrase "or day-care plans requiring fees to keep children".

Sec. 6. G.S. 110-88(3) is amended by inserting immediately after the phrase "To develop a system or plan for registration of day-care plans" the phrase "which do not require fees to keep children".

Sec. 7. G.S. 110-89(6) is amended by inserting immediately after the phrase "day-care facility" the phrase "or day-care plan requiring fees to keep children".

Sec. 8. G.S. 110-90(1) is rewritten to read:

"(1) To administer the licensing program for day-care facilities and day-care plans requiring fees to keep children, and the registration system for day-care plans which do not require fees to keep children."

Sec. 9. G.S. 110-90(4) and (5) are amended by inserting immediately after the phrase "day-care facility" the phrase "or any day-care plan requiring fees to keep children".

Sec. 10. G.S. 110-91 is amended by rewriting the caption to read: "Mandatory standards for a day-care facility license.--".

Sec. 11. Article 7 of Chapter 110 is amended by adding a new section immediately after G.S. 110-91 to read:

"§ 110-91. Mandatory standards for a day-care plan license.--

The Commission shall establish standards relating to the health and safety of children to be complied with by all day-care plans requiring fees to keep children. These standards shall be the only required standards for issuance of a license by the Secretary of Administration under policies and procedures of the Commission."

Sec. 12. G.S. 110-92, 110-93(a), (b), 110-98, 99, and 100 are amended by inserting immediately after the word "facility", wherever it appears, the phrase "or day-care plan requiring fees to keep children".

Sec. 13. G.S. 110-101 is amended by inserting immediately after the phrase "a day-care plan" the phrase "which does not require fees for keeping children".

Sec. 14. G.S. 110-102 and 110-104 are amended by inserting immediately after the word "facility" wherever it appears, the phrase "or day-care plan requiring fees to keep children".

Sec. 15. This act shall become effective October 1, 1983.

DRAFT
FOR REVIEW ONLY

A BILL TO BE ENTITLED AN ACT TO RAISE AGE LIMITS FOR DAY-CARE STAFF.

The General Assembly of North Carolina enacts:

Section 1. G.S. 110-91(8) is amended by deleting the second sentence and substituting the following: "Each staff member employed in a day-care facility supervising children shall be not less than 18 years of age unless that person is in an accredited internship program or is a volunteer sponsored and supervised by a community services program."

Sec. 2. This act shall become effective October 1, 1983.

A JOINT RESOLUTION REQUESTING THAT THE LEGISLATIVE RESEARCH
COMMISSION STUDY OF DAY CARE BE CONTINUED.

Whereas, the 1981 Legislative Research Study Commission Study Committee on Day Care, chaired by Senator William Creech and Representative Louise Brennan, has laid the foundations for excellent further study of day care in North Carolina by initiating a sophisticated study of day care costs, and by proposing several pieces of legislation designed to improve methods of enforcement of day care standards and to provide incentives for compliance; and

Whereas, much further study is needed, both to construe to refine the laws regarding day care and to tailor them with sensitivity to fit the needs of children, parents and operators and continue to work with the Department of Human Resources and the Department of Administration in their attempts to eliminate duplication of services and of monitoring; and

Whereas, the children of this State are its future citizens and its most vital resource, and most deserving of concern for and study of their early environment, and education;

Now, therefore, be it resolved by the House of Representatives, the Senate concurring;

Section 1. The Legislative Research Commission may authorize a continued study of day care in this State. The Committee making this study may make an interim report to the 1983 General Assembly, 1984 Session, and may make a final report to the 1985 General Assembly.

This study shall build upon the work of the 1981 Legislative Research Commission Study of Day Care and shall focus on ways to provide the best day care to all children in the most cost-effective way, bearing in mind that only day care that parents can afford and that centers can provide is practical.

The Study shall include:

- (1) A comprehensive examination of the Department of Administration's cost study of day care;
- (2) A continued study of the memorandum of agreement between the Department of Administration and the Department of Human Resources with regards to the elimination of duplication of day care services and monitoring of, and of the feasibility of future consolidation of all day care services into one State agency;
- (3) A continued study of staff-child ratio;
- (4) A continued study of staff training requirements, and of staff records, including criminal records;
- (5) A continued study of graded licenses;
- (6) A continued study of the feasibility of credentialing;
- (7) A study of the feasibility of raising standards to incorporate programing, testing;
- (8) A study of the feasibility of a tax credit for day care, and of its limits; and
- (9) The study of the feasibility of some State purchase of care in private day care centers.

Sec. 2. This resolution is effective upon ratification.

APPENDIX A
STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



MEMBERSHIP

1981-83

Cochairmen:

House Speaker Liston B. Ramsey

Senate President Pro Tempore W. Craig Lawing

Members:

Representative Chris S. Barker, Jr.
New Bern

Representative John T. Church
Henderson

Representative Gordon H. Greenwood
Black Mountain

Representative John J. Hunt
Lattimore

Representative Lura S. Tally
Fayetteville

Senator Henson P. Barnes
Goldsboro

Senator Carolyn Mathis
Charlotte

Senator William D. Mills
Maysville

Senator Russell Walker
Asheboro

Senator Robert W. Wynne
Raleigh

APPENDIX B
STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



DAY CARE STUDY COMMITTEE

1981-83

LRC Member Responsible for Study:

Senator Russell Walker
Asheboro

Committee Cochairmen:

Senator William A. Creech
Raleigh

Representative Louise S. Brennan
Charlotte

Committee Members:

Senator Ollie Harris
Kings Mountain

Representative Marie Colton
Asheville

Representative Jeanne Fenner
Wilson

Representative Margaret P. Keesee
Greensboro

Representative Betty D. Thomas
Concord

Mr. Phillip G. Kelley
Asheville

Mr. John Dees
Goldsboro

Mrs. Bea Taylor
Charlotte

Committee Staff:

Susan Sabre
Committee Counsel

Loraine Newsome
Committee Clerk

APPENDIX C

C-1
North Carolina
Department of Administration 
116 West Jones Street Raleigh 27611 (919) 733-7232

James B. Hunt, Jr., Governor

Jane Smith Patterson, Secretary

Dear Day Care Provider:

The Department of Administration has been asked by the Legislative Study Commission of the General Assembly to conduct a study of day care services and their costs in North Carolina. The purpose of the study is to obtain current information on the cost of day care services in different types and sizes of day care centers. It will examine differences in the cost of providing care in large and small centers, private-for-profit and non-profit centers, urban and rural centers and other categories as well. This information is important for the state, day care providers, and parents.

The survey we are using to collect information is anonymous so no one but you will know the specific answers for your center. In the final report the results will be expressed only as averages or percentages for the state. These averages between types of centers will be important for the state but they will also be important for each day care center director. For example, knowing how your center's operating costs for salaries or building space compare with other centers will help you in the management of your center.

So that you can receive this information when the report is finished, we are enclosing a separate post card addressed to my office. When you have completed and mailed the survey to the Center for Urban Affairs, check the box on the post card that you have done so. If you would like a copy of the results sent to you, please check that on the card also. The post card will tell us who participated in the study and which of these centers want us to send them the final results.

Please complete and return the survey as soon as possible. Instructions appear on the inside of the front cover. If you have questions about the study or need assistance completing the survey, please call 1-800-662-7030 toll free.

We definitely need your participation in this important study. Your help will be very appreciated. Thank you.

Sincerely,


Jane Smith Patterson

JSP/bh

Enclosure



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
RALEIGH 27611

JAMES B. HUNT, JR.
GOVERNOR

Dear Day Care Center Director:

I am writing to you to ask for your help with an important study now being conducted by the Office of the Secretary of the Department of Administration. The study will look at day care center services, fees and operational costs in our state.

The study is being conducted at the request of the North Carolina General Assembly to gain a better understanding of the current costs associated with providing day care services. This information is important for the state so it can establish the best policies that will result in affordable day care being available for all our state's working parents.

The day care cost study will also result in very useful information for each day care center and center director who participates in the study. When the study is completed each day care center can compare its services, parent fees, operational costs, and other information with the state averages. By doing this, each center can determine how its costs and services compare with other centers.

This survey is completely anonymous so no one will know any information about any particular center except the director who completes the form. Please take the time to help us and help yourself obtain this important information. Thank you for your work with children and cooperation in this very important study.

My warmest regards.

Sincerely,

A handwritten signature in black ink, appearing to read "J. B. Hunt".

Dear Fellow Day Care Operators:

Enclosed is a copy of the North Carolina Day Care Cost Survey. This survey is part of the day care cost study now being conducted by the Department of Administration with the Department of Human Resources. The cost study is being conducted for the Legislative Study Commission of the General Assembly to better understand the relationship between day care costs and services.

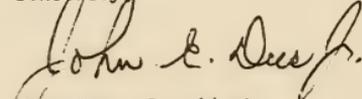
The survey will collect information on day care centers throughout North Carolina on center and staff characteristics, operational costs, services, fees, and other topics. When the survey is summarized, we will have an up-to-date picture of center-based day care costs in the state.

As day care operators ourselves, we believe this study will provide each of us with valuable information that we need to operate our centers effectively and efficiently. Each provider who participates in the study will receive a copy of the final results. The final report will give us a reference for comparing our centers with the state averages.

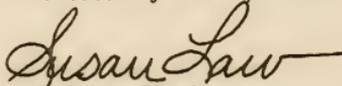
We urge you to take a little time to complete and mail the survey form. The more centers that participate, the more useful the results will be. The survey results will be important for all kinds of centers: private-for-profit; private non-profit; subsidized and non-subsidized; small and large; and urban and rural.

Please don't hesitate. Fill out and return the survey as soon as possible. We believe that you will be glad you did. Thank you.

Sincerely,



John Dees, President
North Carolina Association of
Private Day Care Operators



Susan Law, President
North Carolina Day Care Association

SUMMARY OF INTERIM FINDINGS

Comparison of Profit Non-subsidized and Non-Profit Subsidized Centers

Non-Profit Subsidized

Average monthly cost per child - \$195

Average typical weekly fee - \$29

More variation in fees from younger to older

Higher % of total cost for caregiving - 49%

Higher % of total cost for personnel - 69%

Lower % of total cost for occupancy - 5%

Lower % of income from parent fees - 25%

High % of income from state government - 45%

High % of income from child care food program - 14%

Higher % of non-cash income from volunteer help - 17%

Higher % of non-cash income from staff paid by other agency - 13%

Lower occupancy rate - 90%

Lower % of part-time enrollment - 12%

Lower # of child hours per paid caregiver hour - 5.49

Lower average # of children per caregiver - 8.87

Lower group sizes for all ages, especially infants < 1 yr. - 4.50

Higher % of caregivers with preservice training - 42%

Higher average caregiver education - 15 years

Lower average caregiver years experience - 6 years

Higher % of centers that perform standardized dev. testing - 45%

All centers reported advanced planning for activities

Higher % centers reporting that parents volunteered - 36%

Higher centers reporting that parents helped with projects - 45%

Lower approximate hourly caregiver cost \$3.85

Higher average caregiver turnover rate - 20%

This summary is based on interim data from 91 Day Care Centers that responded to the November survey of 241 centers conducted by the Department of Administration.

Profit Non-Subsidized

Average monthly cost per child - \$119
Average typical weekly fee - \$31
Less variation in weekly fees from younger to older

Lower % of total cost for caregiving - 41%
Lower % of total cost for personnel - 54%
Higher % of total cost for occupancy - 14%

Higher % of income from parent fees - 91%
No income from state government
No income from child care food program
Lower % of non-cash income from volunteer help - 2%
No non-cash income from staff paid by other agency

Higher occupancy rate - 96%
Higher % of part-time child enrollment - 28%

Higher # of child hours per paid caregiver hour - 12.17
Higher average # of children per caregiver - 13.81
Higher group sizes for all ages, especially infants < 1 year - 11.95

Lower % of caregivers with preservice training - 31%
Lower average caregiver education - 12 years
Higher average caregiver years experience - 12 years
Lower % of centers that perform standardized developmental testing - 17%
Lower % of centers that plan activities in advance - 76%
Lower % of centers reporting parents volunteered as caregivers - 13%
Lower % centers reporting that parents helped with projects - 30%
Higher approximate hourly caregiver cost - \$6.05
Lower average caregiver turnover rate - 13%

NORTH CAROLINA DAY CARE COST STUDY



INTERIM REPORT
DECEMBER 6, 1982

Conducted by: North Carolina Department of Administration
Conducted for: Day Care Study Committee, Legislative Research Commission,
N.C. General Assembly

DAY CARE COST STUDY

INTERIM REPORT
December 6, 1982

Conducted for the

Day Care Study Committee
Legislative Research Commission
North Carolina General Assembly

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Department of Administration

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INTRODUCTION

This interim report is a summary of findings based on an analysis of the 91 day care centers which responded to the Day Care Cost Survey conducted in November 1982 by the Department of Administration for the Legislative Research Commission. A total of 241 centers were surveyed, and all data is based on October 1982 information.

The purpose of the study is to obtain information on day care services and the cost of those services in North Carolina. Therefore, the survey contains questions on program characteristics and services as well as operational costs, income sources, and fees. By having such information it is possible to better understand the relationship between services, the cost of these services, and the fees that are charged for them.

This report was prepared on the basis of unedited survey information as submitted by day care center directors prior to December 1, 1982. The deadline for including data was kept open until the latest possible moment; therefore data was not as carefully edited and coded before computing as it might have been if an earlier cutoff date had been used. Consequently, values for all statistics should be interpreted in light of their unedited and interim nature. Additional survey responses and file editing will greatly improve the accuracy and usefulness of these data in the final report.

Nevertheless, the interim report does contain a great deal of useful information on day care services and the relationship of those services to various functional categories of operating costs.

Most information in the interim report is presented in the form of percentages because these statistics are less subject to errors caused by inclusion of incorrect values. Percentages are also useful because they make comparisons across different types and sizes of day care centers easier and more meaningful. Most statistics have also been reduced to whole numbers.

In most cases the various categories of centers are represented proportionately to their share of the total number of centers in the state. However, since some of the comparisons involve certain kinds of centers which may not yet be adequately represented, it is important that results be interpreted in light of the number of centers on which each statistic was computed.

Each statistic that appears on the data charts is based on the number of day care centers which responded to that particular question. Consequently, some percentages do not sum to 100. Interim results that are based on the full sample, such as the statewide averages, are less likely to change significantly in the final report. However, there may be change in categories where a small number of centers responded. For example, only two day care

centers that were for-profit and subsidized responded in this interim sample. That response rate was too low to make meaningful conclusions possible.

The summary is organized in the same order as the data charts which follow. First there is a discussion of statewide averages and characteristics. This is followed by separate comparisons of notable findings according to: profit/non-profit, subsidized/non-subsidized status; size of center; level of license or certification; region of state, and metropolitan/non-metropolitan status.

Statewide

The average typical fee for all ages in all centers was \$33 per week. The average maximum and minimum fees were \$38 and \$27 respectively. Average typical fees ranged from \$32 for children less than one year old to \$30 for five year old children. The average typical center fee for before and after school care was \$15.

Forty-five percent of centers reported that they always required parents to pay for days when their children were absent and another 38 percent indicated that they sometimes required parents to pay for absences.

Thirty-nine percent of centers stated that they do charge a registration fee, and the average fee was \$11. Four percent of centers said that they gave parents a discount for early payment of fees; 85 percent reported that they gave a discount to parents with two or more children enrolled in their center. A number of centers noted that they charge extra for services such as breakfast, music lessons, dancing lessons, gymnastics, field trips, swimming, and transportation.

The cost of providing care subdivided into various functions was: 21 percent for administration; 45 percent for caregiving; 9 percent for occupancy; 23 percent for food; 4 percent for transportation, and 3 percent other. Since some personnel costs were included in most of these functions, a separate percentage of total personnel costs was computed to be 65 percent.

Statewide, center income was 92 percent cash and 9 percent non-cash. Of total center income, 77 percent came from parent fees and 14 percent came from government sponsored purchase of day care services programs. An additional 6 percent of center income statewide was reported from the Child Care Food Program. The statewide average for the value of volunteer time donated to the center was approximately 3 percent of total income.

The average number of children enrolled in centers was 40. Of this number, 76 percent of children attended day care full-time and 24 percent attended day care part-time. Further, an average of 12 percent of school aged children attended day care before and/or after school. The occupancy rate for all centers responding in the sample was 96 percent.

The average number of children per caregiver was 12.55 for all age groups. This same figure, computed using only full-time caregivers, was 16.05. Of all caregivers, both full and part-time, 74 percent were full-time caregivers and 26 percent were part-time.

On the average, for every one hour a caregiver was paid, 9.56 hours of child care was provided. The latter figure represents

C-12

another measure of staff-child ratio and is computed by dividing for each center the total number of hours that children received care in one month by the total number of paid staff hours worked in the same month.

The average number of years of caregiver experience in day care was 10 years and the average educational attainment level of caregivers was 13 years. Thirty-eight percent of caregivers had received some form of preservice training in day care, and 54 percent of center directors had received such training. The average turnover rate for caregivers was 12 percent.

Profit and Subsidized Status

The following comparisons are based on a five-way split of day care centers into the following categories: profit non-subsidized, profit-subsidized, non-profit non-subsidized, non-profit subsidized, and public. As noted previously, the number of respondents for profit-subsidized centers was too low (two) to permit inclusion of data from this category of centers.

The only category of centers with noticeable variation in fees for children from less than one year old to five years old was non-profit subsidized. These centers had average fees that ranged from \$41 for children less than one year old to \$28 for five year olds. Most other categories of centers had average fees in the low thirties, while public centers reported some lower and some higher weekly fees.

Non-subsidized centers were seen to be more likely to give parents discounts for early payment of fees. Six percent of profit non-subsidized centers and eight percent of non-profit non-subsidized centers reported giving such discounts. No subsidized center reported giving early payment discounts. A greater percentage of subsidized and public centers did report giving low income families special discounts.

Twenty-five percent of public centers indicated that they had a registration fee, which is low when compared with the state average of 39 percent. However, the average registration fee was the highest for the public centers at \$24, compared with the state average of \$11. Profit non-subsidized centers offered a greater number of services at an extra charge.

In terms of monthly expenses for different functional areas, profit non-subsidized centers had relatively lower percentages of total cost for caregiving (41%) and for total personnel (54%) than other types of centers. These centers also had the highest percentages for occupancy (14% versus the state average of 9%) and for food costs (25%). In contrast, non-profit non-subsidized centers had the highest percentage of costs for caregiving (55%) and for total personnel (77%). That category of centers also reported the lowest percentage of monthly costs for occupancy (2%).

C-13

Public centers reported the highest administrative costs (31%) as compared with 21 percent for the state average and 19 percent in administrative costs for profit non-subsidized centers.

Although profit non-subsidized centers reported the lowest percentages for caregiving and total personnel costs, these centers had the highest average cost per caregiver hour (\$6.05). In contrast, the non-profit non-subsidized centers, with the highest percentages of caregiving and total personnel had the lowest average cost per caregiver hour (\$3.56).

Source of income is quite different for different categories of centers. Non-profit subsidized and public centers had higher proportions of non-cash income (donations) to total income than the non-subsidized centers.

Particularly striking are the differences in income from parent fees and government agencies between non-subsidized and subsidized centers. Non-subsidized centers reported that 91 percent of their total income was from parent fees with no payment from government agencies. For non-profit subsidized centers, only 25 percent of total income came from parent fees and 45 percent came from payment by government agencies. In public centers, 44 percent of total income was from parent fees and 44 percent was from government agencies.

Non-profit subsidized centers had greater percentages of cash and non-cash income in other income categories as well. For example, an average of 14 percent of total income was reported from the Child Care Food Program, 17 percent of total income came from donated volunteer time, and 13 percent of total income was due to the value of staff paid for by other agencies. In general, non-profit subsidized and public centers received greater amounts of volunteer assistance.

Profit non-subsidized centers had higher proportions of part-time enrollment than non-profit subsidized and public centers. For profit non-subsidized centers, 72 percent of enrollment was full-time and 28 percent part-time. In non-profit subsidized centers 85 percent of enrollment was full-time and 12 percent part-time. The public centers reported 98 percent full-time enrollment and only 1 percent part-time enrollment.

Occupancy rates for profit non-subsidized centers was 96 percent, the same as the state average. Rates for non-profit subsidized and public centers were lower at 90 percent and 92 percent respectively. Non-profit non-subsidized centers had the highest average occupancy rate of 107 percent.

Staff-child ratios were generally better in the non-profit programs. The number of child hours in attendance for each paid hour a caregiver worked clearly illustrates these differences. Non-profit non-subsidized centers had 5.01 child hours per caregiver hour and non-profit subsidized centers had 5.49 child hours per caregiver hour. These are in contrast with 12.17 child hours of day care per caregiver hour worked in the profit non-subsidized centers and 8.11 child hours

in the public centers.

Using the average number of children per caregiver (full and part-time caregivers) as another approach to examine staff/child ratio, non-profit subsidized centers had the lowest figure of 8.87.

Differences in average group sizes were the greatest for infants. For children less than one year of age, the average group size was 11.95 in profit non-subsidized centers, 9 in non-profit non-subsidized centers, 4.50 in non-profit subsidized centers and 4 in public centers. Similar striking differences exist for one year olds.

For children two to four years of age, there are fewer obvious differences among categories of centers, except that the non-profit subsidized centers typically have smaller group sizes than the profit non-subsidized centers. Non-profit subsidized centers also have smaller group sizes than the state averages. The largest group sizes for five year olds were 21.08 in non-profit non-subsidized centers and 23 in public centers.

Differences in full-time versus part-time caregiving staff were greatest between non-profit non-subsidized centers and public centers. Non-profit non-subsidized centers reported having 55 percent full-time caregivers and public centers reported having 91 percent full-time caregivers. Profit non-subsidized and non-profit subsidized were similar with 79 percent and 76 percent full-time caregiving staff respectively. The high percentage of part-time caregivers in non-profit non-subsidized centers may account in part for the generally lower caregiver cost per hour in these centers.

Notable differences in the percentage of caregivers with pre-service training in day care were also found. Both profit non-subsidized and non-profit non-subsidized had only 31 percent of caregiving staff with preservice day care training. This compares with 42 percent in non-profit subsidized centers and 56 percent in public centers. Thus, staff in subsidized centers appear to have had greater preservice training in day care.

Caregiver education was highest in non-profit subsidized and public centers with an average of 15 years in both. This compares with a state average of approximately 13 years and an average of 12 years in profit non-subsidized centers.

In contrast with lower positions on training and overall education, profit non-subsidized centers had caregivers with a higher average number of years experience as caregivers, 12 years, compared with an average of 6 years in both non-profit subsidized and public centers.

Other program characteristics also yield some important differences. For example, results suggest that all non-profit subsidized centers responding to the survey do some developmental testing of children, whereas 54 percent of profit non-subsidized centers stated that they did no such testing.

C-15

More parents volunteered to help with special projects in non-profit centers. Fifty-three percent of non-profit non-subsidized centers reported parent involvement and 45 percent of non-profit subsidized centers reported parents' help. Parent involvement was the highest in the public centers (63%) and the lowest in the profit non-subsidized centers (30%).

Size of Center

Similar average "typical weekly fees" for all ages were reported for all sizes of centers. A greater percentage of large centers reported charging registration fees, and the average amount of the registration fee increased with the size of the center. Registration fee averages for small, medium, and large centers were \$8.20, \$9.17, and \$15 respectively.

Larger centers reported a greater number of services that they offered for an extra charge. For example, no small center reported offering breakfast at an extra charge, while 19% of large centers indicated that they did. Another example is swimming, where only six percent of small and medium centers offered it at an extra charge compared with 59 percent of large centers. Transportation was offered at an extra charge by three percent of small centers, 14 percent of medium centers and 28 percent of large centers.

Proportions of monthly expenses for various operating functions show a definite relationship to size of center. Caregiving as a percentage of total costs was 39 percent, 46 percent, and 56 percent in small, medium, and large centers respectively. Similarly, total personnel costs as a percentage of total costs were 53 percent, 69 percent, and 79 percent from small to large centers. Food service costs as a percentage of total costs were higher in the smaller centers. These percentages were 30 percent, 23 percent, and 13 percent, from small to large centers. Average caregiver hourly costs were the lowest in the small centers at \$3.63 and highest in the medium centers at \$7.09.

Large centers reported higher percentages of cash income (96%) as compared with 91 percent in small centers and 90 percent in medium centers. Large centers also indicated the highest percentages of income from parent fees and from the Child Care Food Program. Both small and medium centers noted that cash income from the food program was approximately five percent of total income, while large centers reported it as 10 percent of total income.

The proportions for full and part-time child enrollment were essentially the same across the three center sizes. However, large centers had higher percentages of school age children enrolled for before and/or after school care. School aged child care as a percentage of total enrollment was 21 percent for large centers, 6 percent for medium centers, and 11 percent for small centers. The average occupancy rate for small centers was 103 percent -- much higher than for medium centers (90%), and large centers (92%).

C-16

Staff-child ratio measures for all three center sizes are quite similar and do not suggest major differences. Slightly lower ratios for three and four year old children were found in small and medium centers when compared with larger centers. Group sizes for various ages of children appear to be slightly smaller for small centers, especially for children three to five years of age. Group sizes in the medium and large centers for three to five year olds are comparable and are larger than for the small centers.

Large centers reported a lower percentage of full-time caregivers (66%) compared with 75 percent in small centers and 83 percent in medium centers.

Large centers had both the lowest average indoor square footage (37 feet) and the lowest average outdoor square footage (267). The state averages for these space measures were 47 square feet and 433 square feet respectively.

Program characteristics point to several differences in centers that may be associated with size. All medium and large centers reported some form of advanced planning for daily activities while only 68 percent of small centers indicated any advanced planning. Fifty-six percent of small centers reported that they performed no developmental testing while only 21 percent of medium centers and 18 percent of large centers stated that they did no developmental testing.

Staff training in day care appears to also be related to center size. The average percentage of caregiving staff with preservice training was 22 percent in small centers, 41 percent in medium centers, and 52 percent in large centers. Similarly, the average percentage of center directors with preservice training was 32 percent, 68 percent, and 75 percent in small, medium, and large centers respectively.

An opposite trend is evident for parent involvement, where parents volunteered some as caregivers in 21 percent of small centers, 19 percent of medium centers, and four percent of large centers. However, a slightly greater percentage of parents assisted with special projects in medium and large centers as compared with small centers.

All three sizes of centers had about the same levels of caregiver experience. Average caregiver education was slightly less in large centers at 10 years than in small centers (13 years) and medium centers (14 years).

A and AA/Level 1/Level 2

For purposes of the following comparisons, A and AA non-subsidized centers are compared with Level 1 subsidized and Level 2 subsidized centers separately. A low number of Level 1 centers in these data suggests that information on Level 1 centers be interpreted accordingly.

C-17

Average typical weekly fee charges for A licensed centers were several dollars lower in all age categories than for subsidized Level 1 and Level 2 centers. Level 2 centers had an average typical fee for all ages that was \$33 -- the same as the statewide average. However, there was substantial variation between average maximum and average minimum weekly fees for the Level 2 centers ranging from \$14 to \$78.

Discounts for low family income were reported in 20 percent of A centers, 50 percent of Level 1 centers, and 82 percent of Level 2 centers. Eighty percent of Level 2 centers indicated that they always charge parents for child absences. This figure is higher than A centers at 42 percent and Level 1 centers at 20 percent that always charge for absences.

Percentages of monthly expenses for functional areas do differ across the three sets of standards. Subsidized Level 2 centers had the highest percentage of total costs for caregiving (52%) and the highest total personnel costs (76%). A licensed, non-subsidized centers had the lowest percentage of total personnel costs as a percent of total costs. Occupancy costs were higher in A centers (10%) and Level 1 centers (11%) than in Level 2 centers (5%).

Characteristics of center income appear related to both participation in the purchase of care program operated by the Department of Human Resources and the approved level of reimbursement, Level 1 or Level 2, designated by the Department of Human Resources. Centers with A license received 87 percent of total income in parent fees. Level 1 centers received 50 percent of their income from parent fees and another 33 percent through government payment. However, Level 2 centers received only 26 percent of income from parent fees and 54 percent from the state.

Level 1 and 2 centers received a larger percentage of their total income from the Child Care Food Program than A licensed centers. These centers also reported higher percentages of total income due to volunteer time and staff paid for by some other agency than the non-subsidized A license centers.

Enrollment patterns also differed across the three types of centers. Non-subsidized A centers had 72 percent full-time and 28 percent part-time enrollment. Level 1 centers had 92 percent full-time and 5 percent part-time children. Level 2 centers had approximately 96 percent full-time and six percent part-time enrollment. A licensed centers reported that before and/or after school care accounted for about 13 percent of total enrollment while these figures were five percent and six percent for Level 1 and Level 2 centers respectively. The occupancy rate for A licensed centers was 98 percent and was higher than either of the two levels of subsidized care.

Staff-child ratios between non-subsidized and subsidized centers were quite different. The number of child hours per caregiver hour was 10.58 in non-subsidized centers, 5.95 in Level 1 centers, and 5.15 in Level 2 centers. Using the average number of children per caregiver,

C-18

these staff/child ratio measures were 13.64 for non-subsidized centers, 8.38 for Level 1 centers, and 8.16 for Level 2 centers. Level 2 centers had much smaller average ratios than both A and Level 1 centers for all ages one through five.

Group size comparisons between non-subsidized centers and subsidized centers also yielded significant differences. For example, for children less than one year old, non-subsidized centers had an average group size of 11.35 and Level 2 centers had an average group size of 5.44. For five year old children, non-subsidized centers had an average group size of 15.92 and Level 2 centers had an average group size of 9.50.

Program characteristics among the three types of centers were also found to be different. A greater percentage of Level 2 centers (82%) group children in small groups for educational activities compared with 60 percent of both A and Level 1 centers that reported such grouping. More subsidized Level 1 and Level 2 centers reported that they planned activities in advance as compared with non-subsidized centers. A greater percentage of Level 2 centers reported that parents occasionally volunteered as caregivers and helped with special projects than in both A and Level 1 centers.

Differences in caregiver training are also evident when comparing the three center levels, although they are not as large as differences between profit non-subsidized and non-profit subsidized centers. An average of thirty-five percent of caregivers in A non-subsidized centers had received preservice training whereas 63 percent of Level 1 caregivers and 41 percent of Level 2 caregivers had received training. Similarly, higher center averages for directors with preservice training were found in the subsidized Level 1 and Level 2 programs.

Region of State

Center average typical fees were similar across the three regions of the state. These similarities hold for both comparisons of center averages for all ages and for average weekly fees at each particular age level. A greater variation among average minimum and average maximum fees was reported for the west than for the other two regions.

The results indicate that centers in the west are more likely to provide discounts for early payment, for two or more children enrolled from same family, and for low family income, than the other regions of the state. Also, a smaller percentage of centers in the west charge a registration fee (25%) compared with 43 percent of centers in the piedmont and 38 percent in the east. The average registration fee charged in the west is also lower than the two other regions. Despite the greater prevalence for offering discounts to parents, no center in the west reported offering any of the services included in the survey at an extra charge.

C-19

Proportions of monthly costs of providing care were higher in the west for caregiving (51%) and for total personnel (70%) than for the other regions in the state. Total personnel costs as a percent of total costs were 63 percent in both the piedmont and the east. Hourly caregiver cost was the lowest in the west at \$3.40. These same costs were \$5.49 and \$4.87 for the piedmont and east respectively.

Patterns of center income also differ by region of the state. Centers in the west reported 54 percent of total income from parent fees and 25 percent from the government. Centers in the piedmont indicated that 82 percent of total income came from parent fees and 8 percent came from government agencies. Comparable figures for the east were 84 percent parent fees and 16 percent government payment. Centers in the west and piedmont reported a slightly higher percentage of non-cash income than centers in the east.

Enrollment in centers in the west is approximately 72 percent full-time and 31 percent part-time. Centers in the piedmont have similar enrollment proportions with 74 percent full-time and 25 percent part-time. Enrollment in the east is characterized by a greater percentage of full-time children (84%) and a lower percentage of part-time children. The highest percentage of total enrollment for before and/or after school care was 15 percent in the piedmont, compared with 8 percent of total enrollment in the west and 7 percent in the east. Occupancy was found to be 103 percent in the west and was higher than both the piedmont (95%) and the east (94%).

Both staff/child ratios and group sizes were lower in the west than in the other regions. The average number of child hours per caregiver hour was 4.65 in the west, 11.30 in the piedmont, and 8.76 in the east. Average group sizes for each age grouping were also smaller in the west than in the other two regions.

Program characteristics were also different regionally. Only 7 percent of centers in the west reported that they performed no developmental testing as compared with 42 percent of centers in the piedmont and 48 percent of centers in the east. A greater percentage of centers in the west also stated that parents do volunteer as caregivers and help with special projects. Averages for eastern centers were the lowest on these two parent involvement indicators across the state.

No major differences on caregiver preservice training were found regionally although some differences on caregiver education and experience are notable. Average caregiver education was highest in the west at 15 years, followed by 13 years for the piedmont and 11 years in the east. Average caregiver experience was lowest in the west at 7 years. Average experience in the piedmont was reported as being 11 years and in the east at 9 years.

Metropolitan/Non-Metropolitan

Average typical, maximum, and minimum fees were approximately \$3 per week greater for centers in counties designated as metropolitan. The average typical weekly fee was \$34 in metropolitan counties and \$31 in non-metropolitan.

Discounts for fees are more prevalent in non-metropolitan counties than in metropolitan counties. Also, a greater percentage of metropolitan centers, (45%), reported that they charge a registration fee, as compared with 34 percent in non-metropolitan counties. Average registration fees were also higher in metropolitan counties at \$13.79, compared with \$8.06 in non-metropolitan counties. A higher percentage of centers in metropolitan counties indicated that they offered certain services at an extra charge.

Expense proportions for administration, caregiving, etc. were essentially the same for both types of counties with administration and total personnel being slightly higher in metropolitan counties and transportation and other costs being slightly higher in non-metropolitan counties. Hourly caregiver cost was \$5.92 in metropolitan counties and \$4.07 in non-metropolitan counties.

Sources of income were also quite similar in both categories. In metropolitan counties, 80 percent of center income was reported as coming from parent fees with another 10 percent coming from government payment. The figures for non-metropolitan counties were 74 percent and 16 percent respectively. Non-metropolitan centers reported a higher average percentage of income from volunteer time while metropolitan centers reported a high income percentage from donated center space.

Metropolitan centers had a higher average enrollment (47) as compared with non-metropolitan centers (35). Full and part-time enrollment was similar, with part-time enrollment being slightly higher in non-metropolitan counties. The occupancy rate for metropolitan counties was 102 percent; for non-metropolitan counties it was 92%. Sixteen percent of children enrolled in metropolitan county centers received transportation, compared with 42 percent in non-metropolitan counties.

Non-metropolitan centers had slightly smaller group sizes for most ages as well as slightly lower staff/child ratios. The average number of children per caregiver was 11.67 in non-metropolitan centers and 13.83 in metropolitan centers.

Non-metropolitan centers had a greater number of indoor and outdoor square feet for caregiving than the metropolitan centers. A larger percentage of metropolitan centers (45%) reported that they performed no developmental testing than did non-metropolitan centers (30%).

Forty-five percent of metropolitan center caregivers had received some form of preservice training in a day care while 32 percent of non-metropolitan center caregivers had received training.

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Metropolitan caregivers also had more average years of day care experience (11) and more average years of education (13) than non-metropolitan caregivers, who had an average of 8 years education and an average of 12 years day care experience.

Table A₁

Average weekly fees in dollars

	Statewide	Profit: Non-Subsidized	Profit: Subsidized	Non-Profit: Non-Subsidized	Non-Profit: Subsidized	Public	Size: 1-25	Size: 26-50	Size: More than 50
Number responding	91	47	2	19	11	8	39	27	23
Center typical: all ages	33	31	-	31	29	47	32	34	33
Center maximum: all ages	38	30	-	30	33	73	33	50	34
Center minimum: all ages	27	29	-	30	27	15	27	25	29
Typical: less than one year	32	31	-	31	41	25	30	33	35
Typical: one year olds	32	32	-	30	41	25	31	33	34
Typical: two year olds	32	31	-	31	33	28	32	31	33
Typical: three year olds	31	31	-	30	29	28	32	29	32
Typical: four year olds	33	31	-	31	29	47	32	34	32
Typical: five year olds	30	28	-	32	28	28	31	27	32
Typical: before school only	7	8	-	9	3	-	8	3	15
Typical: after school only	14	15	-	14	7	11	14	13	17
Typical: before and after school	15	14	-	18	7	-	11	14	20

Table A₂
Average weekly fees in dollars

	A Licensed	Subsidized Level 1	Subsidized Level 2	Region: West	Region: Piedmont	Region: East	Metropolitan	Non-Metropolitan
Number responding	75	5	11	16	53	22	41	50
Center typical: all ages	31	-	33	31	33	32	34	31
Center maximum: all ages	30	32	78	70	31	30	40	37
Center minimum: all ages	30	31	14	18	29	29	29	26
Typical: less than one year	31	39	35	31	32	32	33	31
Typical: one year olds	32	39	35	33	32	33	32	32
Typical: two year olds	31	33	37	35	31	32	31	33
Typical: three year olds	31	33	32	32	31	32	31	31
Typical: four year olds	31	-	32	32	33	32	34	32
Typical: five year olds	29	33	32	29	29	32	29	30
Typical: before school only	8	3	3	2	8	9	8	7
Typical: after school only	15	12	9	12	14	16	14	14
Typical: before and after school	15	3	14	15	14	15	15	14

Table B₁
Fee information

	Statewide	Profit: Non-Subsidized	Profit: Subsidized	Non-Profit: Subsidized	Non-Profit: Non-Subsidized	Non-Profit: Subsidized	Public	Size: 1-25	Size: 26-50	Size: More than 50
Number responding	91	47	2	19	11	8	39	27	23	
Discount for early payment	4%	6%	-	8%	0%	0%	6%	0%	5%	
Discount for 2 children in same family	85%	87%	-	86%	100%	63%	86%	92%	76%	
Discount for low family income	31%	18%	-	14%	78%	50%	29%	42%	25%	
Fees always required for absences	45%	46%	-	31%	56%	63%	37%	50%	52%	
Fees sometimes required for absences	38%	33%	-	56%	33%	38%	37%	42%	38%	
Center has registration fee	39%	37%	-	47%	45%	25%	26%	31%	68%	
Average registration fee	\$11.00	\$8.86	-	\$13.29	\$7.20	\$24.00	\$8.20	\$9.17	\$15.00	

Table B₂
Fee information

	A Licensed	Subsidized Level 1	Subsidized Level 2	Region: West	Region: Piedmont	Region: East	Metropolitan	Non-Metropolitan
Number responding	75	5	11	16	53	22	41	50
Discount for early payment	5%	0%	0%	13%	3%	0%	3%	6%
Discount for 2 children in same family	85%	75%	91%	100%	81%	84%	78%	91%
Discount for low family income	20%	50%	82%	60%	21%	31%	26%	36%
Fees always required for absences	42%	20%	80%	47%	46%	43%	51%	40%
Fees sometimes required for absences	38%	80%	20%	33%	40%	38%	38%	38%
Center has registration fee	39%	60%	27%	25%	43%	38%	45%	34%
Average registration fee	\$10.52	\$15.33	\$11.67	\$ 7.00	\$12.58	\$ 8.75	\$13.79	\$ 8.06.

Table C₁
 Services offered at extra charge

	Statewide	Profit: Non-Subsidized	Profit: Subsidized	Non-Subsidized	Non-Subsidized	Non-Subsidized	Public	Size: 1-25	Size: 26-50	Size: More than 50
Number responding	91	47	2	19	11	8	39	27	23	
Breakfast	7%	7%	-	6%	9%	17%	0	4%	19%	
Music lessons	3%	3%	-	0%	0%	0%	0%	0%	12%	
Dancing lessons	4%	5%	-	0%	0%	0%	3%	5%	1%	
Gymnastics lessons	4%	5%	-	8%	0%	0%	0%	0%	18%	
Field trips	9%	5%	-	14%	33%	0	9%	5%	17%	
Swimming	19%	17%	-	23%	14%	17%	6%	6%	59%	
Transportation	12%	10%	-	7%	33%	17%	3%	14%	28%	

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No center reported morning snack, lunch, afternoon snack, physical exam, dental exam, hearing and speech exam, vision exam, child development testing, or parent counseling sessions, as services which were offered at extra charge.

Table C₂
 Services offered at extra charge

	A Licensed	Subsidized Level 1	Subsidized Level 2	Region: West	Region: Piedmont	Region: East	Metropolitan	Non-Metropolitan
Number responding	75	11	16	53	22	41	50	
Breakfast	6%	0%	0%	10%	5%	11%	4%	
Music lessons	2%	0%	0%	3%	7%	3%	3%	
Dancing lessons	4%	0%	0%	3%	13%	3%	5%	
Gymnastics lessons	0%	5%	0%	5%	6%	6%	3%	
Field trip	8%	9%	0%	9%	0%	11%	8%	
Swimming	20%	10%	0%	26%	21%	27%	14%	
Transportation	10%	18%	0%	17%	13%	21%	5%	

Table 0₁

Monthly expenses

	Statewide	Profit: Non-Subsidized	Profit: Subsidized	Non-Profit: Non-Subsidized	Non-Profit: Subsidized	Public	Size: 1-25	Size: 26-50	Size: More than 50
Number responding	91	47	2	19	11	8	39	27	23
Average monthly cost per child	*	119	-	*	195	177	109	*	116
% of total: administration	21	19	-	19	20	31	16	24	22
% of total: caregiving	45	41	-	55	49	43	39	46	56
% of total: occupancy	9	14	-	2	5	4	11	4	11
% of total: food service	23	25	-	19	21	20	30	23	13
% of total: transportation	4	4	-	2	7	8	4	5	3
% of total: other costs	3	4	-	3	1	1	4	3	3
% of total: all personnel	65	54	-	77	69	76	53	69	79
Approximate hourly caregiver cost	\$4.95	\$6.05	-	\$3.56	\$3.85	\$4.21	\$3.63	\$7.09	\$5.22

Table D₂

Monthly expenses

	A Licensed	Subsidized Level 1	Subsidized Level 2	Region: West	Region: Piedmont	Region: East	Metropolitan	Non-Metropolitan
Number responding	75	5	11	16	53	22	41	50
Average monthly cost per child	*	153	212	148	122	*	131	*
% of total: administration	20	42	19	15	21	23	22	20
% of total: caregiving	45	28	52	51	46	44	46	45
% of total: occupancy	10	11	5	4	8	16	9	9
% of total: food service	23	29	20	22	23	24	23	24
% of total: transportation	3	1	9	4	3	5	3	5
% of total: other costs	3	3	1	5	2	5	2	4
% of total: all personnel	62	71	76	70	63	63	66	63
Approximate hourly caregiver cost	\$5.14	\$3.28	\$4.44	\$3.40	\$5.49	\$4.87	\$5.92	\$4.07

* This information is not available in the interim report for certain categories of centers due to coding errors in some data. Data editing will eliminate these errors and enable computations of monthly averages.

Table E₁Monthly income
as percent of total income

	Statewide		Profit: Non-Subsidized		Profit: Subsidized		Non-Profit: Subsidized		Non-Profit: Non-Subsidized		Public		Size: 1-25		Size: 26-50		Size: More than 50	
	91	47	2	-	19	11	8	39	27	23	8	39	27	23	8	39	27	23
Number responding	91	47	2	-	19	11	8	39	27	23	8	39	27	23	8	39	27	23
Cash: as % of total income	92	94	-	-	92	87	88	91	90	96	88	91	90	96	88	91	90	96
Non-cash: as % of total income	9	7	-	-	9	19	12	10	11	5	12	10	11	5	12	10	11	5
Cash: parent fees	77	91	-	-	85	25	44	77	66	87	44	77	66	87	44	77	66	87
Cash: payment from gov't	14	0	-	-	4	45	44	8	24	8	44	8	24	8	44	8	24	8
Cash: dividends, investments, interest	0	0	-	-	1	0	0	0	0	1	0	0	0	1	0	0	0	1
Cash: special grants	0	0	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash: cash donations (i.e. United Way)	1	0	-	-	1	2	0	0	1	2	0	0	1	2	0	0	1	2
Cash: child care food program	6	0	-	-	11	14	9	5	5	10	9	5	5	10	9	5	5	10
Cash: all other cash	4	4	-	-	4	7	2	5	6	1	2	5	6	1	2	5	6	1
Non-cash: volunteer time	3	2	-	-	1	17	8	5	3	0	8	5	3	0	8	5	3	0
Non-cash: staff paid by other agency	2	0	-	-	2	13	1	2	2	0	1	2	2	0	1	2	2	0
Non-cash: building space	5	6	-	-	5	2	2	4	8	3	2	4	8	3	2	4	8	3
Non-cash: materials and supplies	0	0	-	-	0	0	2	0	0	0	2	0	0	0	2	0	0	0
Non-cash: food	1	1	-	-	1	0	6	1	1	1	6	1	1	1	6	1	1	1
Non-cash: all other non-cash	1	0	-	-	2	0	3	0	0	0	3	0	0	0	3	0	0	0

Table E₂Monthly income
as percent of total income

	A Licensed	Subsidized Level 1	Subsidized Level 2	Region: West	Region: Piedmont	Region: East	Metropolitan	Non-Metropolitan
Number responding	75	5	11	16	53	22	41	50
Cash: as % of total income	93	87	93	89	92	96	93	92
Non-cash: as % of total income	9	13	10	11	10	5	8	10
Cash: parent fees	87	50	26	54	82	84	80	74
Cash: payment from gov't	3	33	54	25	8	16	10	16
Cash: dividends, investments, interest	0	0	0	0	0	0	0	0
Cash: special grants	0	0	0	0	0	0	0	0
Cash: cash donations (i.e. United Way)	0	1	1	0	1	0	1	0
Cash: child care food program	4	19	11	7	6	6	6	6
Cash: all other cash	5	0	2	7	3	3	4	4
Non-cash: volunteer time	3	7	5	3	3	4	2	5
Non-cash: staff paid by other agency	1	12	5	4	0	3	0	3
Non-cash: building space	6	3	3	4	7	1	7	3
Non-cash: materials and supplies	0	0	0	0	0	0	0	0
Non-cash: food	1	1	0	1	1	0	1	0
Non-cash: all other non-cash	1	0	2	3	0	0	0	1

Table F₁

Enrollment characteristics

	Statewide	Profit: Non-Subsidized	Profit: Subsidized	Non-Profit: Non-Subsidized	Non-Profit: Subsidized	Public	Size: 1-25	Size: 26-50	Size: More than
Number responding	91	47	2	19	11	8	39	27	23
Total number of children enrolled	40	32	-	58	31	46	20	33	31
Full-time as % of total enrollment	76	72	-	69	85	98	72	80	75
Part-time as % of total enrollment	24	28	-	26	12	1	28	18	23
After-school as % of total enrollment	11	15	-	13	4	1	12	9	13
Before and after school as % of total enrollment	12	15	-	10	7	0	11	6	21
Drop-in children as % of total enrollment	4	5	-	3	0	3	5	2	5
Center occupancy rates	96	96	-	107	90	92	103	90	92
Partial subsidy children as % of total number subsidized	28	0	-	0	15	53	10	38	24
Full subsidy children as % of total number subsidized	72	0	-	0	85	47	90	62	76
Percent enrollment that received transportation	20%	24%	-	36%	41%	17%	29%	29%	28%

Table F₂
Enrollment characteristics

	A Licensed	Subsidized Level 1	Subsidized Level 2	Region: West	Region: Piedmont	Region: East	Metropolitan	Non-Metropolitan
Number responding	75	5	11	16	53	22	41	50
Total number of children enrolled	39	30	55	35	33	38	47	35
Full-time as % of total enrollment	72	92	92	72	74	84	78	74
Part-time as % of total enrollment	28	5	6	31	25	15	22	25
After-school as % of total enrollment	13	5	4	7	13	12	11	12
Before and after school as % of total enrollment	13	5	6	8	15	7	11	12
Drop-in children as % of total enrollment	4	2	0	5	3	5	2	6
Center occupancy rates	98	80	94	103	95	94	102	92
Partial subsidy children as % of total number subsidized	17	52	22	31	26	27	34	25
Full subsidy children as % of total number subsidized	83	48	78	69	74	73	66	75
Percent enrollment that received transportation	30	20	20	23	26	42	16	42

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Table 6₁
Group size and staff-child ratio

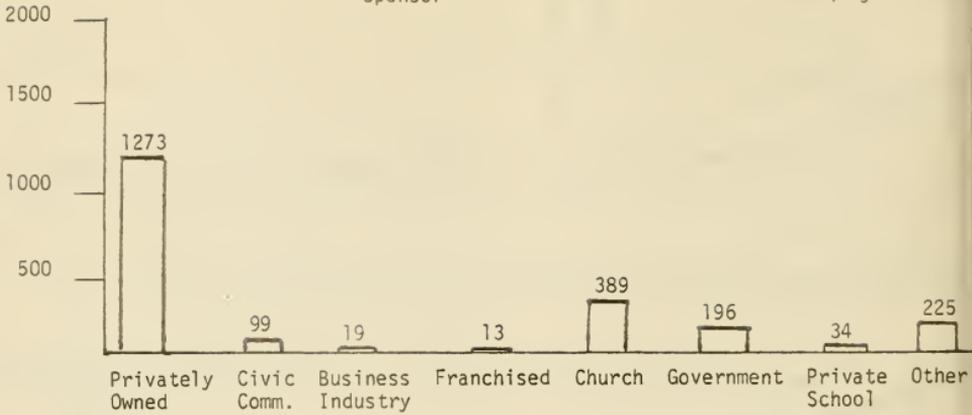
	Statewide	Profit: Non-Subsidized	Profit: Subsidized	Non-Profitt: Non-Subsidized	Non-Profitt: Subsidized	Public	Size: 1-25	Size: 26-50	Size: More than 50
Number responding	91	47	2	19	11	8	39	27	23
Average group size for less than one year	10.74	11.95	-	9	4.50	4	10.89	9.25	11.19
Average group size for one year olds	11.43	12.89	-	9.75	6	9.50	10.80	13.50	11.47
Average group size for two year olds	12.10	13.02	-	11.56	11	12.20	11.92	12.85	11.71
Average group size for three year olds	13.05	14.07	-	12.32	11.50	12.90	12.06	14.47	13.32
Average group size for four year olds	13.71	14.80	-	13.69	10.63	13.40	12.78	14.29	14.96
Average group size for five year olds	15.28	14.19	-	21.08	13	23	12	19	18.79
Average staff/child ratio for one year olds	7.37	8.21	-	6.71	5.60	7.90	7.96	6.27	7.48
Average staff/child ratio for two year olds	8.68	10.27	-	8.63	7.65	7.75	8.92	7.96	9.12
Average staff/child ratio for three year olds	9.74	10.64	-	11.89	7.80	9.50	8.67	6.50	11.65
Average staff/child ratio for four year olds	10.41	10.17	-	12.80	12.25	8.63	6	5.83	11.92
Average staff/child ratio for five year olds	11.67	13.67	-	12.25	-	8	-	-	11.67
Average # of children per caregiver	12.55	13.81	-	13.72	8.87	11.36	12.69	12.24	12.69
% of caregivers full-time	74	79	-	55	76	91	75	83	66
Average # children per full-time caregiver	16.05	16.76	-	20.34	12.69	12.86	16.75	14.16	17.40
Child hours per one paid caregiver hour	9.56	12.17	-	5.01	5.49	8.11	9.90	10.27	8.87

Table H₁
Program and staff characteristics

	Statewide	Profit: Non-Subsidized	Profit: Subsidized	Non-Profit: Non-Subsidized	Non-Profit: Subsidized	Public	Size: 1-25	Size: 26-50	Size: More than 50
Number responding	91	47	2	19	11	8	39	27	23
Indoor square footage per child	47	42	-	57	49	59	45	56	37
Outdoor square footage per child	433	607	-	157	179	329	438	554	267
Caregiver turnover rate	12%	13%	-	6%	20%	13%	9%	14%	14%
% centers: 2-5 years olds grouped in groups of 8 or less for educational activities	63	61	-	56	73	71	70	58	59
% centers: daily activities planned in advance	86	76	-	94	100	100	68	100	100
% centers: standardized developmental testing	27	17	-	19	45	57	18	38	32
% centers: no developmental testing	37	54	-	25	0	14	56	21	18
% caregivers with preservice training	38	31	-	31	42	56	22	41	52
% directors with preservice training	54	49	-	50	50	100	32	68	75
Average years caregiver experience	10	12	-	8	6	6	9	10	9
Average years caregiver education	13	12	-	13	15	15	13	14	10
% centers: parents volunteered as caregivers	15	13	-	11	36	25	21	19	4
% centers: parents helped with projects	41	30	-	53	45	63	34	44	43

Table H₂
Program and staff characteristics

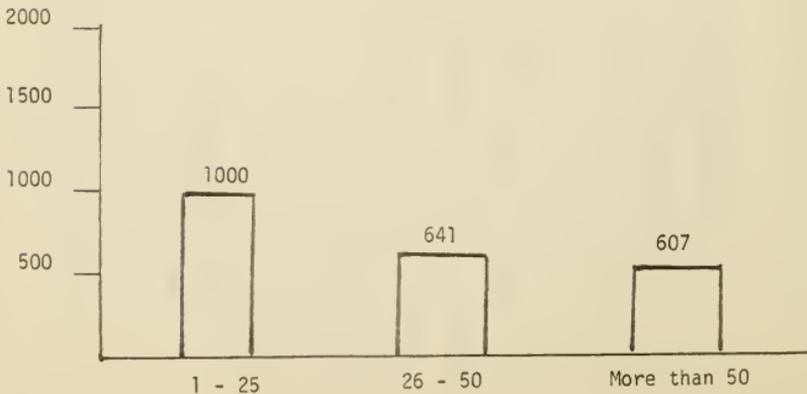
	A Licensed	Subsidized Level 1	Subsidized Level 2	Region: West	Region: Piedmont	Region: East	Metropolitan	Non-Metropolitan
Number responding	75	5	11	16	53	22	41	50
Indoor square footage per child	45	65	49	66	44	35	42	51
Outdoor square footage per child	481	328	226	542	310	788	357	508
Caregiver turnover rate	11%	1%	21%	12%	11%	14%	12%	12%
% centers: 2-5 years olds grouped in groups of 8 or less for educational activities	60	60	82	60	64	62	62	64
% centers: daily activities planned in advance	83	100	100	87	85	91	84	99
% centers: standardized developmental testing	20	25	73	67	22	10	30	24
% centers: no developmental testing	45	0	0	7	42	48	45	30
% caregivers with preservice training	35	63	41	36	40	33	45	32
% directors with preservice training	50	100	67	44	59	53	63	48
Average years caregiver experience	10	6	9	7	11	9	11	8
Average years caregiver education	13	13	13	15	13	11	13	12
% centers: parents volunteered as caregivers	12	20	36	25	15	9	15	16
% centers: parents helped with projects	39	40	55	56	42	27	49	34



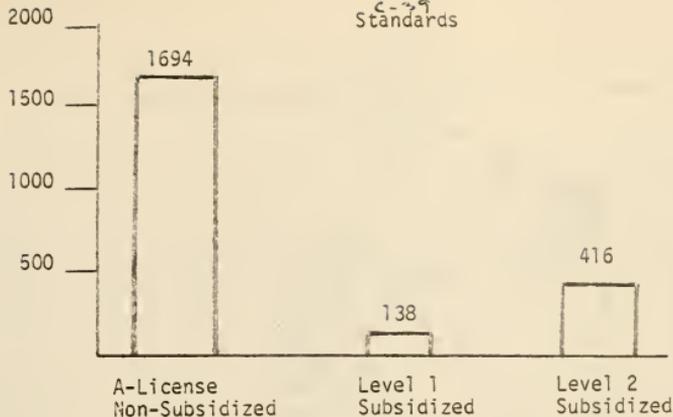
Subsidized/Non-subsidized



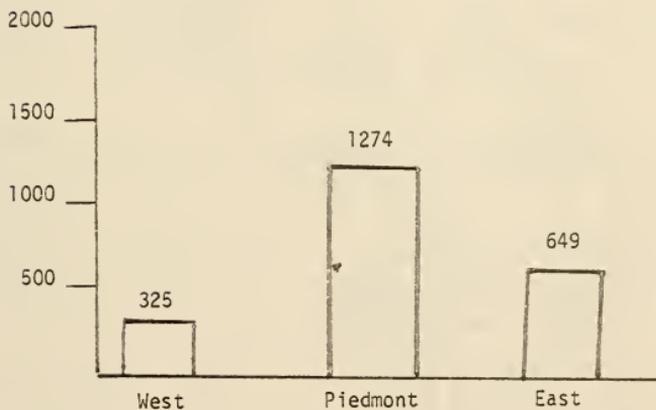
Size of Center



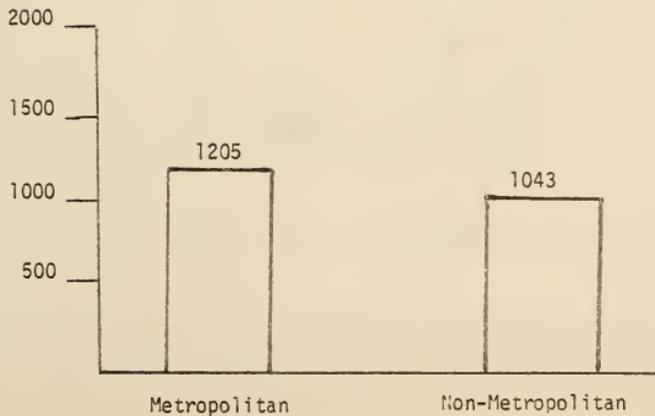
Standards



Region of State



Metropolitan/Non-Metropolitan

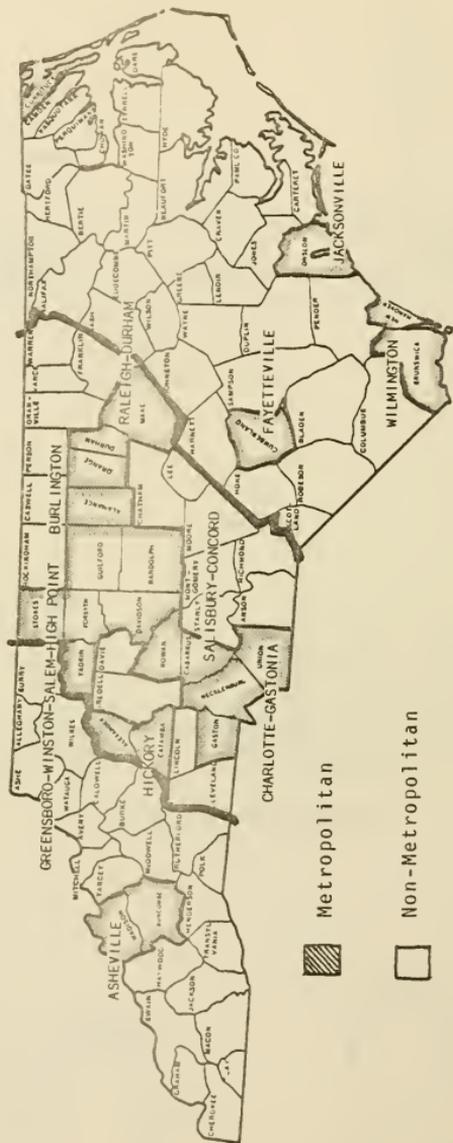


N.C. SMSA'S

Western

Piedmont

Eastern



-  Metropolitan
-  Non-Metropolitan

Standard Metropolitan Statistical Areas (SMSA's)
as defined June, 1981.

DAY CARE COST SURVEY

DEFINITIONS

These definitions are provided to assist you in completing the survey:

Annual, for purposes of the survey, refers to any special, once per year, or major amount of income or expense that would not normally be included in the regular monthly income or expenses for your center. If your center had any such income or expenses from November 1, 1981 to October 31, 1982, it should be reported under the section on annual income earned or annual expenses incurred. Please do not include any regular monthly income or expenses in the annual sections.

Caregiver refers to an individual whose primary responsibility is caring for children. Primary responsibility is defined as one-half or more time at work actually working with children. The cook, janitor, bus driver, and director who occasionally work with the children are not to be considered as caregivers for purposes of this survey because their primary responsibility does not include working directly with the children in the classroom.

Caregiver Education refers to the total number of years of school completed by an individual. If a caregiver is a high school graduate with no further education, the number would be 12. If a caregiver is a college graduate with no graduate education, the number would be 16.

Caregiver Pre-service Day Care Training refers to any formal training in day care prior to being hired as a caregiver in their present position. This would not include on the job training in their previous or current positions.

Drop-in Child refers to a child who does not attend your center on a regular basis and who is not regularly enrolled. For example, a drop-in child may be a child who stays at your center while his or her parent goes to the doctor or because the person he usually stays with is sick or on vacation. In other words, a drop-in child is a child that you would not normally expect to be at your center because he or she is not enrolled to attend on a regular basis. Please report any drop-in children at your center separately from regularly enrolled children.

Expenses Incurred refers to cash that your center paid out as well as debts and obligations made by the center, but not yet paid, for goods and services that were used in the operation of the center. This category includes all money spent and all obligations made by the center, even if the bill for the goods and services has not yet been paid. Examples are the salaries paid to staff, money spent for food, and payment for supplies.

Full-time refers to 30 or more hours per week and part-time refers to less than 30 hours per week. Please use this definition for both staff and children at your center.

Group refers to a generally recognized number of children at your center who have the same caregiver(s), usually occupy the same room or area at your center, and are organized in this way for purposes of compliance with state licensure regulations for staff-child ratio. If your center has no separate divisions of children by age or other reason, then your center has only one group.

Handicapped Child, for purposes of the survey, refers to a child who has known disabilities and is currently functioning below a generally recognized normal range of development for children of the same age. A child does not have to be formally diagnosed as having a disability.

Income Earned refers to all cash payments, reimbursements, and cash and non-cash contributions that have been paid or will be paid to your center for services that your center has already provided. This category refers to all revenue both cash and non-cash that your center received or expects to receive for services provided or as donations. Examples are parent fees, payment from the Child Care Food Program, United Way contributions, and donated space for your center.

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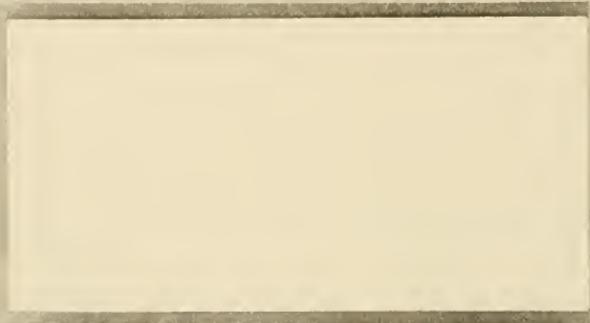
Mildly Handicapped refers to children with disabilities that are less noticeable, less severe, and less likely to limit their potential for learning and development. Mildly handicapped children are those less likely to require modifications to a center's regular day care program and the caregiving of children without recognized disabilities.

Non-Cash Contribution refers to the cash value of goods or services donated to your center that you do not pay for or the difference in the market value and any substantially reduced rate that you pay for goods or services. Examples are the time that a volunteer works at your center, free toys and supplies that your center may receive, and the value of building space if this is donated free or at a reduced rate.

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North Carolina
Department of
**Human
Resources**



OFFICE OF DAY CARE SERVICES

DAY CARE COST STUDY

December 6, 1982
Administrative Branch
Office of Day Care Services

C-46
PREFACE

This report was prepared by the Office of Day Care Services, Department of Human Resources for the Department of Administration and the Legislative Study Commission on Day Care. The request for this report was made on November 19, 1982 thus allowing only seven workdays for the analysis of budgets from 302 centers and rates from 542 centers. The shortness of the time frame did not allow the Office of Day Care Services to follow our normal procedure of double-checking for quality control; however, this process has already begun and any corrections that are made in this report will be sent directly to both the Department of Administration and the members of the Legislative Study Commission on Day Care.

It should be noted that sixteen members of the Office of Day Care Services staff have worked on this report during this seven day period for a total full-time equivalent of 14.25 person-weeks. We want to express our sincere appreciation to these staff members for their efforts and their willingness to work over-time to complete this project. Special thanks go to both Ron Penney, Head, Administrative Branch and Jim Collins, Supervisor, Planning/Reporting Unit for their leadership and to Carol Smith and Deborah Fore for their help in preparing the text.

It is our hope that the data contained in this report will be useful and will assist the reader in gaining a better understanding of the costs incurred by the over 500 day care centers which sell a portion of their slots to the Department of Human Resources for use by low-income children.

Sincerely,

Rachel T. Fesmire

Rachel T. Fesmire, Director

Timothy L. Quigg

Timothy L. Quigg, Deputy Director

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Subsidized Day Care in North Carolina

Many families who need day care services cannot purchase them without some assistance. Assistance in the form of subsidized payment for these services is available to families who meet certain eligibility criteria. Families who receive public assistance grants such as Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI) may be eligible for day care subsidy. Other families who are not public assistance recipients, but whose monthly income falls below the level established by the State for eligibility for social services, may also receive assistance with day care costs. These families may be eligible for full subsidy or may be required to participate in the cost of the service, depending upon how high their income is with respect to the income scale. For example, a family of four persons with a monthly income of \$800 would be eligible for full subsidy while a family of four with one child in day care and a monthly income of \$1000 would pay \$22 per month toward the cost of the care. Some children may be eligible for day care services because they are receiving certain other services such as foster care or protective services for abused or neglected children.

The Appalachian Regional Commission (ARC) provides funds for day care services to families in twenty-nine western counties. To be eligible for ARC subsidy, a family must live in one of the designated counties and demonstrate a need for assistance. This need may be the same low income criteria described above or may be hardship circumstances such as unusual medical expenses, large costs associated with care of a handicapped individual, or seasonal employment situations.

The Office of Day Care Services, Department of Human Resources, is responsible for implementing the statewide child day care program. As the following chart indicates, six percent (6%) of the overall budget is spent for administration.

Funding for the statewide child day care program comes from multiple sources including state day care funds appropriated by the General Assembly, Social Service Block Grant, Appalachian Regional Commission, federal HHS discretionary funds, Refugee Assistance Program, and Child Welfare Services. The total permanent professional and clerical staff of the Office is 48 and the project time-limited staff is 7. On the following chart, administrative costs have been distributed among the four primary functions of the Office in a manner consistent with our federally approved cost allocation plan.

COST CATEGORY	SFY 1982-83 BUDGETED DOLLARS (PERCENT OF BUDGET)
1. Purchase of Slots	\$21,879,442 (92%)
2. Contracted Training	220,308 (1%)
3. Special Time-Limited Projects	338,376 (1%)
4. Administration	
a. Fiscal (reimbursement, contracts, rate setting)	\$546,252
b. Program Development	414,678
c. Policy/Planning/ Reporting	280,353
d. Program Approval	<u>154,681</u>
	1,385,964 (6%)
TOTAL	23,824,090

These funds used for the purchase of slots subsidize eligible families primarily in two ways: (1) through the allocation of funds to county departments of social services which may use the funds to either provide or purchase care at the local level; or (2) through State-level contracts with other local and regional agencies which may also provide or purchase services.

The portal of entry into the subsidized program for low income families is either the county department of social services or a private non-profit agency with which the department of social services contracts for eligibility determination. In addition, the ARC child development projects serve as the portal of entry for families receiving ARC funded day care services. For all types of funds, eligible families must also demonstrate a need for day care services by being a member of one of the four target groups for whom the service may be subsidized. All purchasing agencies are mandated to provide day care services to three of the target groups. Services to the fourth group are optional. These groups are:

1. Low income parents needing day care to support employment;
2. Low income parents needing day care to support training leading to employment;
3. Children receiving protective services in order to remain in their own home; and
4. Children in need of day care to promote developmental growth (the optional group).

County departments of social services and contractors may purchase services from center-based providers (day care centers) or home-based providers (family day care homes or individual child care arrangements). Each type of facility is governed by a separate set of standards which address the health, safety, nutrition, and developmental needs of children. Providers covered by state law must also meet and adhere to applicable state licensure requirements.

Day care centers which provide care to subsidized children must meet the North Carolina Department of Human Resources Child Day Care Center Standards. These sixteen standards contain two levels of requirements for program approval Level 1 and Level 2. The attached chart (page 4) displays the specific requirements for available space, staff/child ratios and maximum group sizes, and a

LE 1. COMPARISON OF SOME STANDARDS REQUIRED FOR LEVEL 1 and LEVEL 2 APPROVAL

STANDARD	LEVEL 1	LEVEL 2																																																																		
<p>Staff/Child Ratios and Group Sizes</p> <p>The staff/child ratios and group sizes displayed here are for single age groupings. Each level has variable requirements for multi-age groupings.</p>	<p>1.</p> <table border="1"> <thead> <tr> <th>Ages</th> <th>Staff</th> <th>No. Children</th> </tr> </thead> <tbody> <tr> <td>Birth-1 yr</td> <td>1</td> <td>8</td> </tr> <tr> <td>1 yr olds</td> <td>1</td> <td>8</td> </tr> <tr> <td>2 yr olds</td> <td>1</td> <td>12</td> </tr> <tr> <td>3 yr olds</td> <td>1</td> <td>15</td> </tr> <tr> <td>4 yr olds</td> <td>1</td> <td>20</td> </tr> <tr> <td>5 yr olds & older</td> <td>1</td> <td>25</td> </tr> </tbody> </table>	Ages	Staff	No. Children	Birth-1 yr	1	8	1 yr olds	1	8	2 yr olds	1	12	3 yr olds	1	15	4 yr olds	1	20	5 yr olds & older	1	25	<p>1.</p> <table border="1"> <thead> <tr> <th>Ages</th> <th>Staff</th> <th>No. Child.</th> <th>Group Size</th> <th>Staff</th> </tr> </thead> <tbody> <tr> <td>Birth-1 yr</td> <td>1</td> <td>6</td> <td>6</td> <td>1</td> </tr> <tr> <td>1 yr olds</td> <td>1</td> <td>7</td> <td>7</td> <td>1</td> </tr> <tr> <td>2 yr olds</td> <td>1</td> <td>9</td> <td>9</td> <td>1</td> </tr> <tr> <td>3 yr olds</td> <td>1</td> <td>10</td> <td>18</td> <td>2</td> </tr> <tr> <td>4 yr olds</td> <td>1</td> <td>13</td> <td>20</td> <td>2</td> </tr> <tr> <td>5 yr olds</td> <td>1</td> <td>15</td> <td>25</td> <td>2</td> </tr> <tr> <td>6 yr olds & older</td> <td>1</td> <td>20</td> <td>25</td> <td>2</td> </tr> <tr> <td>6 & older w/special problems</td> <td>2</td> <td>20</td> <td></td> <td></td> </tr> </tbody> </table>	Ages	Staff	No. Child.	Group Size	Staff	Birth-1 yr	1	6	6	1	1 yr olds	1	7	7	1	2 yr olds	1	9	9	1	3 yr olds	1	10	18	2	4 yr olds	1	13	20	2	5 yr olds	1	15	25	2	6 yr olds & older	1	20	25	2	6 & older w/special problems	2	20		
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Space Requirements	<p>2. 25 square feet of indoor space per child <u>for caregiving activities</u> for each child enrolled to attend at any one time; and 75 square feet of outdoor space for each child scheduled to be on playground.</p>	<p>2. 30 square feet of indoor space <u>for caregiving activities</u> for each child enrolled to attend at any one time; and 100 square feet of outdoor space for each child scheduled to be on playground.</p>																																																																		
Nutrition Requirements	<p>3. Center must develop daily food plan to provide specified number of meals and snacks that meet percentage of child's RDA requirements for good nutrition. Menus planned in advance and posted for parents' information. Attention paid to meetings special diet needs. Special requirements for feeding infants and toddlers.</p>	<p>3. Same as Level 1.</p>																																																																		
Requirements for Caregiving Activities; and	<p>4. Center must have age-appropriate planned activities for each group of children documented by a written activity plan and schedule. Schedule will include balance between defined types of activities and provision for outdoor play. Activity plan will reflect required numbers of specified types of activities and daily and weekly requirements for choices among other learning areas. Age-appropriate requirements for infants and toddler caregiving.</p>	<p>4. All requirements for Level 1, plus: the written activity plan is based on assessment of developmental levels of children, and requirements include more activities in each area.</p>																																																																		
Activity Areas	<p>5. The center must provide daily opportunities for each child to use specified number and variety of activity centers and equipment, both indoors and outdoors.</p>	<p>5. Same as Level 1, but specified numbers are greater.</p>																																																																		

summary of the requirements for nutrition and caregiving activities for each level.

Level 1 approval reflects the minimum level of center-based care acceptable for children eligible for subsidy. Level 1 centers must maintain essentially the same health and safety conditions, space requirements, and staff/child ratios required for state licensure, except that no enrollment tolerances are allowed. An enrollment tolerance allows a center to enroll more children than the total number for which it is licensed to provide for absenteeism and withdrawals. The tolerance allowed for licensure is 20 percent of the center's licensed capacity. Additionally, Level 1 centers must meet specific requirements for child nutrition, staff qualifications and training, administrative policies and practices, caregiving activities, child discipline policies and, if applicable, procedures for safe transportation of children.

Level 2 approval indicates that a center has chosen to meet additional requirements and provide more comprehensive services to the children and families served. In Level 2 centers, more emphasis is placed on meeting the individual child's needs and presenting activities which will enhance the child's development and self-esteem. Costs for Level 2 approved centers are greater, primarily to maintain the more stringent requirements for staff/child ratios, space per child, and to provide the equipment and supplies necessary for the program of activities.

The Data in This Report

There are 554 centers in North Carolina which have been approved by the Office of Day Care Services to care for subsidized children. One hundred thirty-eight (138) centers are Level 1 centers and 416 are either Level 2 or they are classified as "certified". All certified centers are in the process of being evaluated by the Office of Day Care Services and the expectation is that the

great majority of them will end up being reclassified as Level 2 centers. There are approximately 13,500 children receiving subsidized care in North Carolina. The majority of these, over 11,000, receive care in centers. The rest receive home-based care.

The data on centers in this report were obtained from two primary sources. First, the rates for 542 centers were examined and the results are presented in Tables 2 and 3 for care and Tables 5 and 6 for transportation. Second, the budgets for 302 Level 2 centers were examined and cost distribution data are presented in Table 4.

Tables 2, 3, 5 and 6 share a common format and terminology. The terms used on tables 2, 3, 5 and 6 are explained below.

REGION OF STATE: Centers were classified as being in the West, Piedmont or East according to information provided by the Department of Administration. Appendix A is a state map which is divided into the three regions used to classify centers.

COUNTY TYPE: Centers were classified as being in a metropolitan or non-metropolitan area according to the Standard Metropolitan Statistical Areas (SMSA) used by the Bureau of the Census. Appendix A also shows in which type of SMSA counties fall.

CENTER TYPE: "Profit" centers are privately owned businesses which are operated in order to make a profit. "Non-profit" centers are privately owned but are not operated as profit-making businesses. "Public" centers are publicly owned.

CENTER SIZE: Centers were placed into one of the three size ranges according to the Office of Day Care Services-determined total capacity of the facility.

DEVELOPMENTAL DAY CENTERS: These are centers (public and non-profit) which provide care to physically, mentally and emotionally handicapped

children. Data on these centers are always confined to the "Developmental Day Centers" line, i.e., none of the other lines in the tables contain data on these facilities.

NUMBER OF CENTERS: The number of centers for which a rate was included in calculating the mean rate.

ALLOWABLE COSTS: The allowable cost figure is a rate which is based on either: (1) The allowable costs as shown in the center's detailed budget or (2) the usual and customary fees charged for care to non-subsidized children. The rates displayed are mean weekly rates for full-time care. The allowable cost for some centers is higher than the maximum rates allowed by the Social Services Commission. In these cases, payments to the center may not exceed the "approved rate" (see next term).

APPROVED RATE: The approved rate is the same as the allowable cost unless the allowable cost exceeds the maximum established by the Social Services Commission. If the allowable cost exceeds the Commission maximum, then the Commission's maximum is used as the approved rate.

AMOUNT PAID: The amount paid is the amount actually paid for subsidized care by the Office of Day Care Services. The amount paid is frequently less than the approved rate for two major reasons. First, day care purchasers e.g., county departments of social services, can sometimes negotiate a rate lower than the approved rate. Second, if parent/caretaker income is high enough, he or she will be required to pay a graduated fee for care. The fee is subtracted from the amount reimbursed to the purchaser. The amount left after the fee is subtracted is the "Amount Paid."

UNDER AGE 3 AND AGE 3 AND OVER: Rates are broken into these two groupings in order to reflect the differences in rates between the

younger and older children. If a center's rates were broken into one-year rates, i.e., 0 to 1, 1 to 2, 2 to 3, the mean rate for all three was calculated in order to construct an under age 3 rate.

In Tables 5 and 6, the rates for transportation are organized a little differently. The rates for children under age 3 and for children with special needs are higher than those for children age 3 and over without special needs. The "Amount Paid" columns are not included in these tables because there was not enough time to prepare the computer programs needed to extract the data. The data will be available in the near future.

The data shown in Table 4 are cost data. The terms used in the stub of the table (the left side) are the same ones defined previously. The terms used in the header (the top) are defined below.

ADMINISTRATION: This category of operational costs includes the salary and fringe benefits of center directors and assistants (except in cases where they also have teaching duties and their costs are divided between administration and caregiving accordingly), bookkeeper/accountants, secretaries and other center-based or central office administrative personnel. In addition, the cost of office supplies, office equipment, telephone, licenses and permits, audit fees, child and staff insurance and other administrative costs are included.

CAREGIVING: This category includes the salary and fringe benefits of teachers, aides, substitutes and other caregiving staff responsible for working directly with the children. In addition, the costs of caregiving materials and equipment, staff training, and the cost of appropriate health and support services is included.

OCCUPANCY: The salary and fringe benefits of janitors, custodians, watchman and maintenance workers are included in this category of operational costs. The cost of rent, utilities (other than telephone),

janitorial supplies and equipment, building and grounds maintenance, property insurance and other related items is also included.

FOOD AND FOOD SERVICE: The cost of food, food preparation supplies and equipment and the salary and fringe benefits of cooks, dieticians, nutritionists and dishwashers comprise this category.

OTHER OPERATIONAL COSTS: The primary component of this category is the cost of parent involvement; however, items that do not fall into one of the other four categories are also included.

TABLE 2.

COMPARISON BY AGE GROUP OF WEEKLY ALLOWABLE COSTS,
APPROVED RATES AND AMOUNT PAID BY DHR FOR DAILY CARE TO
LEVEL 1 DAY CARE CENTERS AS OF NOVEMBER 30, 1982.

REGION OF STATE	UNDER AGE 3				AGE 3 AND OVER			
	NUMBER OF CENTERS	ALLOWABLE COST	APPROVED RATE	AMOUNT PAID	NUMBER OF CENTERS	ALLOWABLE COST	APPROVED RATE	AMOUNT PAID
West Piedmont East	7	30.02	30.02	26.65	8	29.27	29.27	18.56
	67	33.17	32.98	31.56	73	31.11	30.78	28.71
	39	29.19	29.19	27.11	40	28.46	28.22	26.50
<u>COUNTY TYPE</u>								
Metropolitan Non-Metropolitan	58	33.96	33.73	33.11	63	31.74	31.30	29.75
	55	29.12	29.12	26.40	58	28.34	28.23	24.43
<u>CENTER TYPE</u>								
Profit Non-Profit Public	93	32.05	31.91	30.09	99	30.32	30.03	27.50
	20	29.52	29.51	28.57	21	29.26	29.00	27.22
	0	.00	.00	.00	1	27.48	27.48	.00
<u>CENTER SIZE</u>								
0 to 25 26 to 50 51 and up	44	29.77	29.76	25.85	46	28.78	28.71	27.20
	23	29.63	29.53	23.91	26	28.51	28.47	24.60
	46	34.35	34.11	32.73	49	32.21	31.60	28.96
<u>DEVELOPMENTAL DAY CENTERS</u>	0	.00	.00	.00	0	.00	.00	.00

*No slots were purchased from this center during the sample month.

TABLE 3. COMPARISON BY AGE GROUP OF WEEKLY ALLOWABLE COSTS, APPROVED RATES AND AMOUNT PAID BY DHR FOR DAILY CARE TO LEVEL 2 DAY CARE CENTERS AS OF NOVEMBER 30, 1982.

REGION OF STATE	UNDER AGE 3				AGE 3 AND OVER			
	NUMBER OF CENTERS	ALLOWABLE COST	APPROVED RATE	AMOUNT PAID	NUMBER OF CENTERS	ALLOWABLE COST	APPROVED RATE	AMOUNT PAID
<u>COUNTY TYPE</u>								
West	59	54.37	48.46	46.52	67	41.92	37.16	36.08
Piedmont	147	50.00	46.11	45.03	175	40.65	36.75	35.39
East	54	42.23	39.09	36.60	65	37.13	34.16	32.36
<u>COUNTY TYPE</u>								
Metropolitan	156	50.16	46.55	45.20	189	40.26	36.84	35.60
Non-Metropolitan	104	48.20	43.14	41.37	118	40.07	35.42	33.95
<u>CENTER TYPE</u>								
Profit	27	41.08	41.04	41.69	28	35.91	35.11	33.03
Non-Profit	170	47.79	45.16	43.47	203	39.08	36.36	34.82
Public	63	57.21	47.03	45.57	76	44.72	36.56	36.00
<u>CENTER SIZE</u>								
0 to 25	78	48.85	43.69	41.95	94	40.63	35.49	34.32
26 to 50	94	49.57	45.50	44.18	116	39.99	36.36	35.09
51 and up	88	49.64	46.18	44.68	97	39.98	36.99	35.33
<u>DEVELOPMENTAL DAY CENTERS</u>								
	41	102.65	50.58	47.21	47	81.30	38.30	36.97

C. S. S.

TABLE 4.

BUDGETED COSTS (EXCLUDING TRANSPORTATION) FOR SFY 1982-83 FOR 102 DAY CARE CENTERS. COST IS EXPRESSED AS A MEAN PERCENT AND IS SP RND ACROSS THE FIVE PRINCIPAL CATEGORIES OF OPERATIONAL COSTS.

REGION OF STATE	ADMINISTRATION	CAREGIVING	OCCUPANCY	FOOD AND FOOD SERVICE	OTHER COSTS	TOTAL*
West (60)*	14.7	58.9	8.2	17.1	0.2	99.1
Piedmont (134)	12.7	57.1	10.8	18.9	0.1	99.6
East (63)	13.8	54.9	9.9	20.2	0.2	99.0
COUNTY TYPE						
Metropolitan (147)	13.4	57.8	9.1	19.9	0.4	100.6
Non-Metropolitan (110)	13.6	58.0	8.6	19.9	0.1	100.2
CENTER TYPE						
Profit (13)	12.9	55.8	12.7	19.2	0.3	100.9
Non-Profit (185)	13.7	59.4	9.3	17.1	0.2	99.7
Public (59)	13.1	63.5	6.7	17.0	0.1	100.4
CENTER SIZE						
0 to 25 (92)	14.6	57.9	9.2	18.0	0.2	99.9
26 to 50 (101)	13.5	59.4	8.8	17.8	0.2	99.7
51 and up (64)	11.7	58.3	8.9	20.3	0.2	99.6
DEVELOPMENTAL DAY CENTERS (45)	16.4	71.3	5.6	6.4	0.3	100.0

*The number in parentheses is the number of centers. The 45 developmental day centers are not included in the other center totals.

**Totals may not equal 100% due to rounding error.

TABLE 5. COMPARISON BY AGE GROUP OF WEEKLY ALLOWABLE COSTS, APPROVED RATES FOR TRANSPORTATION FOR LEVEL I DAY CARE CENTERS AS OF NOVEMBER 30, 1982.

REGION OF STATE	UNDER AGE 3 or SPECIAL NEEDS			AGE 3 AND OVER (NOT SPECIAL NEEDS)		
	NUMBER OF CENTERS	ALLOWABLE COST	APPROVED RATE	NUMBER OF CENTERS	ALLOWABLE COST	APPROVED RATE
West	0	.00	.00	0	.00	.00
Piedmont	12	6.85	6.81	17	6.12	5.88
East	4	5.54	5.54	6	6.20	5.85
COUNTY TYPE						
Metropolitan	11	6.57	6.53	17	5.84	5.59
Non-Metropolitan	5	6.42	6.42	6	7.00	6.66
CENTER TYPE						
Profit	13	6.98	6.94	20	6.38	6.07
Non-Profit	3	5.54	4.54	3	4.54	4.54
Public	0	.00	.00	0	.00	.00
CENTER SIZE						
0 to 25	5	7.20	7.16	7	7.29	6.70
26 to 50	6	7.04	7.00	7	6.10	5.80
51 and up	5	5.22	5.22	9	5.28	5.28
DEVELOPMENTAL DAY CENTERS	0	.00	.00	0	.00	.00

COMPARISON BY AGE GROUP OF WEEKLY ALLOWABLE COSTS,
APPROVED RATES FOR TRANSPORTATION FOR LEVEL 2 DAY CTR.,
CENTERS AS OF NOVEMBER 30, 1962.

REGION OF STATE	UNDER AGE 3 OF SPECIAL NEEDS			AGE 3 AND OVER (NOT SPECIAL NEEDS)		
	NUMBER OF CENTERS	ALLOWABLE COST	APPROVED RATE	NUMBER OF CENTERS	ALLOWABLE COST	APPROVED RATE
West Piedmont East	38	16.77	9.66	43	13.30	7.84
	39	9.00	8.18	71	7.81	7.23
	30	8.60	7.47	36	7.86	6.77
<u>COUNTY TYPE</u>						
Metropolitan Non-Metropolitan	55	10.54	8.31	88	8.57	7.27
	52	12.81	8.71	62	10.57	7.34
<u>CENTER TYPE</u>						
Profit Non-Profit Public	8	5.95	5.95	17	6.60	6.42
	66	10.54	8.44	95	8.68	7.25
	33	15.23	9.26	38	12.44	7.81
<u>CENTER SIZE</u>						
0 to 25 26 to 50 51 and up	40	11.33	8.42	49	9.43	7.21
	37	12.44	8.77	54	9.75	7.49
	30	11.08	8.29	47	8.95	7.17
<u>DEVELOPMENTAL DAY CENTERS</u>						
	26	18.30	9.69	22	17.06	7.85

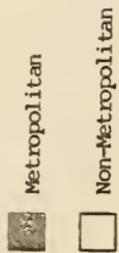
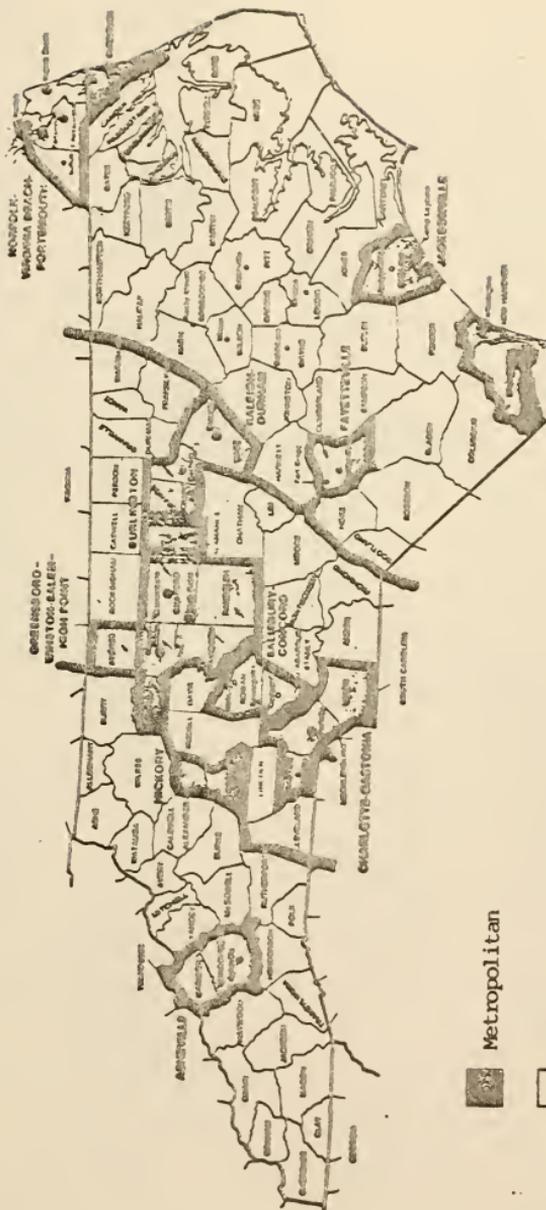
Analysis of Data

The shortness of time for preparation of this report did not allow for the analysis of the data presented in Tables 2-6. The Office of Day Care Services will engage in routine analyses and share the results with the Legislative Study Commission on Day Care. However, the Commission may want additional data gathered or may want particular analyses run. In either of these events, the Office of Day Care Services will attempt to respond to these requests affirmatively.

Western

Piedmont

Eastern



APPENDIX D

John Dees
Phil Kelly

RESOLUTIONS ADOPTED BY THE NORTH CAROLINA ASSOCIATION
OF PRIVATE DAY CARE OPERATORS

1. Research Commission of Day Care propose a statute requiring the licensing of individual homes were children are kept for a fee.

Vote: Unanimously adopted.

2. That all child day care training and regulatory functions performed by D.H.R., together with funds and staff necessary to carry out these functions, be transferred to the D.C.A., with the fiscal and purchasing functions remaining in the D.H.R.

Vote: Unanimously adopted.

3. That no statute be adopted affecting the current child-staff ratio until adequate, in-depth research of this issue had been completed, including but not limited to its impact upon children and the number of children who are provided services and its economic impact upon the parents, providers and the availability of services as well as its effect upon the quality of care which can be provided at the current levels versus the levels proposed and now being considered by the Research Commission.

Vote: Adopted unanimously.

4. The statutory definition of "day care facility" be changed to the following: "Day Care Facility" includes any child care arrangement which provides day care for more than five children under the age of thirteen on a regular basis of at least once per week for more than four hours but less than twenty-four hours per day, regardless of the time of day and regardless of whether or not the same children attend regularly. The following are not included: a.) public schools and non-public schools exclusively providing a course of graded instruction for children of public school age; b.) summer camps with children in full-time residence; c.) Bible schools conducted during vacation periods; and d.) cooperative arrangements among parents to provide care for their own children as a convenience.

5. The A and AA levels shall be the purchase of care levels for the subsidized programs in the state of North Carolina.

6. The legislature appropriate funds necessary to adequately carry out these resolutions enacted into statute.

POSITION STATEMENT

GUILFORD COUNTY EARLY CHILDHOOD COALITION

ADOPTED NOVEMBER 30, 1982

I. GRADED LICENSE

The Guilford County Early Childhood Coalition recommends that a graded system of day care licensing be established so that consumers will be informed as to the level of care being purchased.

The North Carolina Day Care Licensing Commission shall be empowered to issue three grades of licenses: a "license" for compliance with the minimum provisions of this Article, an "A" license for those licensees voluntarily meeting the higher programmatic standards adopted by the Commission with the exception of the staff-child ratio and space requirements, and an "AA" license for those licensees voluntarily meeting the highest child day-care standards adopted by the Commission. The A and AA levels shall be the purchase of care levels for the subsidized program.

All centers shall develop a staff development plan in accordance with rules established by the North Carolina Day Care Licensing Commission. The plan shall contain a minimum of six hours of training for all child care staff in areas related to their employment.

No one under the age of eighteen may be employed as a teacher or teacher aide in a day care facility.

No one under the age of twenty-one may be employed as an operator in a day care facility.

II. TOLERANCE

The Guilford County Early Childhood Coalition recommends that a licensed center be allowed to over enroll the capacity of that center by twenty per cent. A center meeting requirements for a higher level of licensing may be allowed to over enroll the capacity by ten per cent.

III. CONTESTED CASES

The Guilford County Early Childhood Coalition supports the contested case bill adopted by the Legislative Study Committee.

- 1) Allows the Commission to delegate its hearing process for revocations, denials, etc. to a panel of no less than three of its members.
- 2) Allows the Commission to levy a civil penalty of not more than \$1,000 for violations of the law when the Commission or panel finds that such a penalty is reasonably necessary to enforce the law.

A schedule of civil penalties will be provided to all licenses which will take into account the treat of or extent of harm to children as well as consistency of violations.

- 3) Allows the Commission to revoke or suspend a license for a specified time period.

IV. FAMILY DAY CARE PLANS

The Guilford County Early Childhood Coalition supports the definition of the day care plan adopted by the North Carolina Day Care Licensing Commission and requests the North Carolina General Assembly to appropriate funds for the Office of Child Day Care Licensing to monitor and regulate these plans.

DAY CARE PLAN

"Day Care Plan" includes any child care arrangement where any person provides day care for more than one child but no more than five children at any one time. This care must be provided on a regular basis, for any time period, whether or not the same children attend regularly. The pre-school age children of the plan provider shall be counted in this number while the school age children of the provider shall not be counted for this purpose. The plan provider must be the individual who is registered and actually operating the program.

V. COMMUNITY BASED DAY CARE COORDINATING AGENCIES

The Guilford County Early Childhood Coalition supports the privilege license tax proposal adopted by the Legislative Study Committee which would place the information and referral program on a state basis.

- 1) This proposal will earmark receipts from the day care privilege license tax to go to the Office of Child Day Care Licensing for a day care educational system to implement the legislative intent of G.S. 110-85(3) of the licensing law.
- 2) G.S. 110-85(3) of the day care law states as part of the legislative intent that there exist "a program of education to help operators improve their programs and to develop public understanding of day care needs and problems."

VI. STATE TAX CREDIT

The Guilford County Early Childhood Coalition supports the proposal of the Council For Children.

State Tax Credit for Employer's Day Care Assistance

Provide a credit to employers rather than a deduction for assisting employees with day care expenses regardless of the type of day care involvement.

VII. DIVISION OF CHILD DAY CARE

The Guilford County Early Childhood Coalition supports the position of the North Carolina Day Care Licensing Commission: That the training and regulatory functions and all of the personnel and dollar resources for these areas be transferred into the Office of Child Day Care Licensing with the fiscal and purchasing functions remaining in the Department of Human Resources.

We support this position because:

- 1) Purchase of service and regulation should not be integrated.
- 2) The Department of Administration and the Office of Child Day Care Licensing already have necessary mandates in place.

VIII. NORTH CAROLINA DAY CARE LICENSING COMMISSION

The Guilford County Early Childhood Coalition believes that the commission should remain in its present form. The commission was restructured during the 1981 General Assembly. This created a citizen majority on the commission. We believe that the present structure of the commission gives the best balance and can be the most effective voice for day care in North Carolina.

IX. LICENSED DAY CARE FACILITIES

The Guilford County Early Childhood Coalition recommends a change in the definition of day care facility to bring more operations under the scope of the law. Therefore, we propose the following

definition:

"Day-care facility" includes any child care arrangement which provides day care for more than five children under the age of thirteen on a regular basis of at least once per week for more than four hours but less than twenty-four hours per day, regardless of the time of day and regardless of whether or not the same children attend regularly. The following are not included: public schools and non-public schools exclusively providing a course of graded instruction for children of public school age; summer camps with children in full-time residence; Bible schools conducted during vacation periods, and cooperative arrangements among parents to provide care for their own children as a convenience.

NOTES ON STAFF QUALIFICATIONS:

The Guilford County Early Childhood Coalition can not endorse the staff qualification section of the council for children's proposal because:

- 1) This section is unfair to an employer who must choose an employee based on many variables including experience, maturity, age and inborn ability to handle the position.
- 2) Many persons come into day care from related fields such as public schools, church nursery schools, Y.M.C.A.'s and community organizations and hospital and pediatric positions. Portions of the staff qualifications would eliminate these persons from being considered for director or teacher positions.
- 3) Licensing regulations in North Carolina specify that child-staff ratio must be by group, not by classroom(example: 1-9 not 2-18). Therefore, it would not be feasible for a teacher aide to work under the direct supervision of a teacher. Each staff person is required to have their own group and plan for that group's needs. The only exception to this would be a program able to afford more than one staff per group(example: 2-9) in a total handicapped group or an extremely high cost program.
- 4) In a facility using volunteers under this plan, an excessive amount of staff time would be devoted to the supervisions and scheduling of volunteers. It would be preferable to direct this staff time into actual child care.

NOTES CONCERNING ENFORCEMENT:

- 1) The idea of a grace period is not good since it is allowing a violation of law to continue for 29 days.
- 2) Granting hearings before a higher license level is lowered would place a burden on the Licensing Commission.
- 3) Centers need an opportunity to come into compliance before their right to make a living is revoked(Due Process of Law).

D-8
NORTH CAROLINA DAY CARE ASSOCIATION

"Thus a child learns, through affection; through love; through patience; through understanding; through belonging; through doing; through being." -- MOFFITT

August 6, 1982

resident
Robert L. Eagle
P. O. Box 15565
Charlotte 28216
vice-President
John Heffner
P. O. Box 1595
Charlotte 28144
secretary
Lathyn Morgan
P. O. Box 211
Charlotte 28272
treasurer
Ellen T. Lawrence
Rt. 1
Mebane 27092

The Honorable James B. Hunt
Governor
State Capitol Building
P.O. Box 2539
Raleigh, North Carolina 27047

Dear Governor Hunt:

Your acknowledgement and support of Day Care Services as essential for our families has been greatly appreciated. The North Carolina Day Care Association has been working to assess how we can enhance the gains made in North Carolina under your leadership.

COMMITTEE CHAIRMAN
HEMLOCK
Lynn S. M...
P. O. Box 2000
Salisbury 28144
1982 Conference
Chairman
P. O. Box 2000
Salisbury 28144

The 1980 census tells us that 7,467,000 of our nation's children under six are working mothers. This is 43% of all children under six which is an increase from 29% in 1970. In North Carolina the percentages have always exceeded the national figures and it is imperative that Day Care Services continue to have a high priority to support economic development.

The NCDCA Executive Board recommends the following:

1. That a Division of Child Day Care be created within the Department of Human Resources to provide a primary focus for the state's involvement in and with day care.
2. That the NC Child Day Care Licensing Commission be redefined as the NC Child Day Care Commission with all policy making authority for services to be provided through the Division of Child Day Care.
3. That legislation be introduced as necessary to implement the above.

Executive
P. O. Box 1475
Durham 27602
Vice-President
John Glee
201 Longwood Drive
Greensboro 27406
SECTION
CHILD DAY CARE

These recommendations are made in the interest of improving what we have to be an inherent organizational problem. We do not feel that any individual is responsible for the problem nor do we feel that it is possible to deal with the problem without major organizational changes. The General Assembly must have one agency providing guidance related to day care.

We look forward to an opportunity to discuss our recommendations with you and will work to support you in implementation.

Sincerely,

Programs
Gay...
Susan Law
Parent Tax Exemption
Church Sponsored
North Carolina
NORTH CAROLINA
REPRESENTATIVES
East
Jim Hill
West
Georgia Rula
Fidmout
Sara Kent

Robert L. Eagle
President

cc: Jane Patterson, Sarah Morrow, Lucy Rode, Henry McCoy,
John Lail, Rachel Peermire

RLC/6

"If we work upon marble it will perish, if we work upon stone it will crumble to dust, but if we take a child and train it well, we rear a monument which time can never efface." -- FARRAR

THE NORTH CAROLINA DAY CARE ASSOCIATION
 RECOMMENDATIONS ADDRESS THE CONCERNS AS SHOWN

FIRST RECOMMENDATION -- THAT A DIVISION OF CHILD DAY CARE BE CREATED WITHIN THE DEPARTMENT OF HUMAN RESOURCES TO PROVIDE A PRIMARY FOCUS FOR THE STATE'S INVOLVEMENT IN AND WITH DAY CARE.

One voice - To deal with the General Assembly and the public on day care -- one contact point for the public, potential providers, present providers and others.

Public information and Education - Establishing the public image necessary to get the job done would be facilitated by a clear legislative mandate to do all that is necessary to regulate day care, to improve the quality of day care, and to take the steps necessary to see that day care is assured for every child who needs such care.

Avoid Turf Problem - Places responsibility for implementation under one agency so that conflicts can be resolved and service to families and providers is kept as the overriding concern

Strengthen Minimum Enforcement - Would permit the development of an implementation system that includes monitoring of licensing standards and purchase of care standards by one state employee who has time to make more frequent visits.

Broaden Staff Perspectives - With field staff responsible for licensing and monitoring they would need indepth training and greater knowledge of center care and day care home care.

Accomplish Coordination of Training - Training is a primary factor toward assuring quality care. Any program is only as good as the staff make it. Coordination is needed to facilitate access by persons needing training.

One Agency Capable of Administering or Coordinating the States Involvement - With Head Start or other programs for young children as may become necessary.

Comprehensive Reporting, Planning and Evaluation Would be Available - This would be possible under one agency and such data is essential to all efforts.

Simplification/Minimize Confusion - Implementation through one agency would facilitate the development of an integrated system for communicating to the general public the relative quality of day care programs. The distinctions (i.e. AA, Level 1 and Level 2 (and the resultant designations as "classified" or "authorized") are confusing to everyone. It must be possible to reduce the number of designations and do a better job of communicating the differences. Minimum standards will not remain the primary issue if the general public is helped to understand the relative quality of day care programs.

Greater Consistency and Improved Credibility - A consolidated/coordinated effort must result in simplification. It is difficult under the present circumstances to obtain an administrative ruling that will stand the test of time. Interpretations are different from year to year and dependent upon which agency is making an issue of a given concern in a given year. The credibility of the system is jeopardized by its complexity.

SECOND RECOMMENDATION -- THAT THE NC CHILD DAY CARE LICENSING COMMISSION BE REDESIGNATED AS THE NC CHILD DAY CARE COMMISSION WITH ALL POLICY MAKING RESPONSIBILITY FOR SERVICES PROVIDED THROUGH THE DIVISION OF CHILD DAY CARE .

A Clear Mandate - A Child Day Care Commission with policy making power will have a clear mandate under the law and the authority to delegate to a Director responsibility to chart the path of that mandate.

One voice - To deal with the General Assembly and the public on day care

Responsible and Responsive Policy Makers - Places responsibility for policy making and conflict resolution under the direction of a child day care commission made up of citizens and knowledgeable providers.

THIRD RECOMMENDATION -- THAT LEGISLATION BE INTRODUCED AS NECESSARY TO IMPLEMENT THE ABOVE.

Protects Progress - Safeguards the strides made and the resources provided through the leadership of the current administration through establishment of a more efficient service system capable of winning support and confidence from the many day care publics.

State Government must be a Facilitator not an Inhibitor - The confusion and lack of focus is an inherent organizational problem that can be clarified only by legislation.

More Appropriate Placement of Licensing - Legislation is required to change the licensing law to provide for implementation through a Division of Child Day Care within the Department of Human Resource.

More Knowledgeable Policy Makers - Legislation is required to designate the Child Day Care Commission as the body to make policies related to use of government funds for day care. The Social Services Commission has this responsibility at present.

Creates Environment where it is Possible to Seek Further Efficiency and Clarity - At the present time no less than five different government employees (State, County and/or City) visit every day care center. Some centers are visited by as many as nine. The coordination of licensing and monitoring of purchase of care standards under one state agency is the first step toward reducing the number of different government employees visiting day care centers.

FUNCTIONAL DESCRIPTION

DIVISION OF CHILD DAY CARE

A Division of Child Day Care should be created legislatively. The legislation should establish a clear and focused mandate with policies to be made by the NC Child Day Care Commission and implemented through a Division Director. This Commission would assume the responsibilities of the Social Services Commission, the Day Care Licensing Commission, and the State Day Care Advisory Council as they relate to developing day care policies.

The Division should consist of three branches: Regulation, Program and Fiscal. The functions of the respective branches should be as follows:

I. Regulation Branch

- A. Center Standards
- B. Home Plan Registration and Standards
- C. Complaint/Revocation Process
- D. Credentialing of Staff
- E. Fire, Health/Nutrition, Sanitation and Building Codes

II. Program Branch

- A. Technical Assistance/Program Curriculum
- B. Resource/Training Development and Coordination
- C. Legislative Advocacy
- D. Statewide Planning
- E. Support for Family Day Care Homes/Registered Plans
- F. Information and Referral
- G. Public Education - including prospective providers, parents and general public
- H. Research/Cost - develop special projects and determine cost factors in implementing new standards and/or programs.
- I. Report and Evaluate

III. Fiscal Branch

- A. Fiscal Control
- B. Contract Management
- C. Eligibility Determination Policy - for purchase of care programs

September 28, 1982

Governor James B. Hunt
State Capitol
Raleigh, North Carolina 27602

Dear Governor Hunt:

I am writing to relate to you the position taken by the Child Day Care Licensing Commission on the proposed day care agreement presented to the Commission on September 17, 1982. The Commission reviewed how the duplication question came into being. We made a comparison of resources available to the subsidized and non-subsidized sectors and contrasted that with what North Carolina law states are the roles of each program.

The Commission thoroughly discussed the subject and entertained comments and suggestions. Comments were made concerning the contrast in resources as well as salary levels of the respective agency personnel. Several Commission members were concerned that the agreement being proposed would do little more than maintain the current situation which does not benefit most of the children in day care in North Carolina and, in effect appears to be, at most, a cosmetic approach to a rather complex and controversial issue. Several Commission members expressed concern that neither they nor staff of the Office of Child Day Care Licensing had had input into the document before it was presented.

After better than four hours of discussion, the Commission decided that the real resolution of the duplication issue does not lie in the agreement proposed, but rather can only come with organizational changes which place resources with mandates and re-define the two agencies roles commensurate with the purposes for which each was created and consistent with their lawful mandates. Attached is a resolution embodying these principles which we believe is the ultimate solution to the problem. We further believe that it has the support of most of the day care community and can be accomplished with minimal legislation, if any, at all.

We appreciate your commitment to children and trust that you will give this proposal your fullest consideration. We would also like to meet with you in the near future in order to fully discuss this matter. Thank you again.

Sincerely,

Carolyn Turner

Carolyn Turner

cc: Jane Patterson
Sarah Morrow

John Lail
Rachel Fesmire

Mrs. Sylvia Campbell proposed the following resolution:

That the training and regulatory functions and all of the personnel and dollar resources for these areas be transferred into the Office of Child Day Care Licensing with the fiscal and purchasing functions remaining in the Department of Human Resources. It appears that both agencies are engaging in training and regulation which is duplicative. The Day Care Section of the Department of Human Resources is regulating about one-fourth of North Carolina's over 2,200 centers and about one-fourth or less of North Carolina's thousands of children. The Day Care Section believes that in the process of offering training to its limited number of centers and their staffs, all staff of day care centers throughout North Carolina should benefit, therefore, they offer additional training to the entire day care community. This decision runs into a direct collision course with the mandate given legally to the Office of Child Day Care Licensing. In regulating centers, both agencies are inspecting the one-fourth of all centers and the Office of Child Day Care Licensing is inspecting the remaining three-fourths.

Mrs. Rachel Frazier seconded the motion.

The vote was unanimous, with the exception of one abstention by Mr. Henry McKoy.

*Presentation by Carolyn Turner, Chm. of N.C. Day Care Licensing
Commission, November 17, 1982.*

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I want to thank the members of the Legislative Day Care Study Committee for providing this opportunity to me to state to you the position of the Child Day Care Licensing Commission on the duplication issue.

The question of duplication between the day care program in the Department of Administration and the program in the Department of Human Resources has existed for years. However, only recently has it become the subject of much public inquiry and debate. The Legislative Committee on Agency Review inquired about possible duplication of effort. Sensing the controversy that might ensue, the Office of Child Day Care Licensing responded with some reservation that there was indeed duplication. The upshot of their response coupled with further inquiry by the Committee has brought to a head a question that should have been looked at earlier.

The reason that the question of duplication has lain dormant was due to the fact that prior to the creation of the rather large day care purchasing program within the Department of Human Resources and the moves that it has taken beyond the subsidized sector, there existed a clearer delineation of functions. Prior to around 1980 and with the advent of State money for the purchase of child day care, there was little confusion about which program was to do what. Though duplicative monitoring existed, the purchasing program implemented the purchasing standards and conducted the training and technical assistance relating to those programs. The licensing program licensed those programs as well as all day care facilities and provided whatever training and technical assistance and public information it could to the non-subsidized sector. Inadequate resources coupled with the immediate need to get mandatory licensing on its feet prevented large-scale training, technical assistance and public awareness initiatives mandated by law to the licensing program. The Office of Child Day Care Licensing has never enjoyed the luxury of having a large planning, training and public information component in order to shape public opinion in a way favorable to the program. Instead, the program has struggled to do the best that it could to license the 2,200 facilities and register the 6,000 day care plans. We are the 6th largest day care state in the country and have one of the most comprehensive legislative mandates, but, unfortunately, we have one of the smallest programs in the country.

Having one of the smallest programs in the country has made us vulnerable to initiatives by the Department of Human Resources concerning training and

public information. It is important to recognize that prior to around 1980, the duplication that existed was in the area of monitoring. Since that time, duplication has developed in the additional areas of training and public awareness.

The issue we have before us today is not only that of duplication, but also one of law. The Child Day Care Licensing Commission was intended legislatively to be the primary agency for day care, while the Office of Day Care Services was created as the purchasing agency for day care and has very few statutory mandates.

The Child Day Care Licensing Commission's broad mandates include licensing, registration of day care plans, training and upgrading programs beyond what is required by law, and a program of public awareness to assist parents and the general public in understanding day care issues.

The Child Day Care Licensing Commission has most of the legal mandates for day care, while the Department of Human Resources has most of the resources. This mismatch of mandates and resources works to the detriment of the 80% of day care children in non-subsidized care. Further, this mismatch encourages duplication of efforts, inefficient use of resources, prevents full implementation of the day care law and confuses providers, parents and the general public as to whom to turn for day care information, interpretations, and assistance.

The Child Day Care Licensing Commission met on September 17 and took a position against a proposed agreement between the Department of Administration and the Department of Human Resources. The Commission reviewed how the duplication question came into being. We made a comparison of resources available to the subsidized and non-subsidized sectors and contrasted that with what North Carolina law states are the roles of each program.

The Commission thoroughly discussed the subject and entertained comments and suggestions. Comments were made concerning the contrast in resources as well as salary levels of the respective agency personnel. Several Commission members were concerned that the agreement being proposed would do little more than maintain the current situation which does not benefit most of the children in day care in North Carolina and, in effect, appears to be, at most, a cosmetic approach to a rather complex and controversial issue. Several Commission members expressed concern that neither they, nor staff of the Office of Child Day Care Licensing, had had input into the final document before it was presented.

After better than four hours of discussion, the Commission decided that the real resolution of the duplication issue did not lie in the agreement proposed, but rather, can only come with organizational changes which place resources with mandates and redefine the two agencies roles commensurate with the purposes for which each was created and consistent with their lawful mandates.

The following resolution stating the Commission's position was passed:

"That the training and regulatory functions and all of the personnel and dollar resources for these areas be transferred into the Office of Child Day Care Licensing with the fiscal and purchasing functions remaining in the Department of Human Resources. It appears that both agencies are engaging in training and regulation which is duplicative. The Day Care Section of the Department of Human Resources is regulating about one-fourth of North Carolina's over 2,200 centers and about one-fourth or less of North Carolina's thousands of children. The Day Care Section believes that in the process of offering training to its limited number of centers and their staffs, all staff of day care centers throughout North Carolina should benefit, therefore, they offer additional training to the entire day care community. This decision runs into a direct collision course with the mandate given legally to the Office of Child Day Care Licensing. In regulating centers, both agencies are inspecting the one-fourth of all centers and the Office of Child Day Care Licensing is inspecting the remaining three-fourths."

There are several advantages to this position:

1. Better use of money and staff through coordination of licensing, registration and approval for purchase of care.
2. Minimize confusion among providers by having only one state day care consultant to relate to for interpretations of standards.
3. Better identification and monitoring of the 6,000 home-based providers (day-care plans) currently being neglected due to inadequate regulatory resources under the Child Day Care Licensing Commission.
4. Much needed training would be more accessible to the non-subsidized providers.
5. Separating the purchasing of a service from its regulation will likely result in improved services through a distinct administrative focus upon each.

6. An additional advantage might accrue in that more of the private day care community are likely to participate in the purchasing system if the standards are implemented through the Child Day Care Licensing Commission.

I believe that we must move in the direction to ultimately have one day care consultant visiting facilities and homes for all day care purposes including preapplication assistance, monitoring and verification of compliance with all standards, and registration of day care plans within a given territory.

I further believe that we do not have to change any laws or undergo any legislative fights in order to accomplish this. Full implementation of the mandatory day care law is the single most crucial thing that can be done to improve day care in North Carolina. This can best be accomplished by placing resources with existing mandates rather than changing mandates for which we fought so hard to obtain and which the General Assembly intended to be implemented.

I hope that you will not only give the Commission's position your utmost consideration, but also your approval. It is a practical, workable solution to the duplicative issue which can be accomplished with minimal legislation.

Carolyn S. Juran
11/17/82

presented to:

Day Care Study Commission

North Carolina General Assembly

November 17, 1982

Thank you for the opportunity to speak on the behalf of the North Carolina Day Care Association about the alledged problem of *duplication* within the administration and regulation of day care in the State Government.

I wish to begin these remarks by talking about why we find ourselves in this situation.

The North Carolina Mandatory Day Care Licensing Law as written by the General Assembly directed itself primarily to maintaining the health and safety of children in child care settings. Pressure groups *largely composed of* made sure that child staff ratios and caregiver qualifications were addressed in the law in a superficial way. Their argument for large groups of children with one 18 year old person was based upon the need to keep costs down so that parents could afford to pay the cost. At about the same time, the Department of Social Services used standards for the use of Federal funds which were more stringent in terms of child staff ratios than the licensing law. The battle lines were drawn over child staff ratios then. The protagonists remain today fighting the battles over the same issue. Others, over time have been added or deleted.

Dr. To play opera

The issue to which I speak today is an added one in the old battle. Old battlers continue to try to influence law makers and politicians to either choose to look at child day care from purely a monetary angle on one side or to look at child day care of the side of what proponents call quality. The battle has escalated over the years as persons within DHR and DSS have continued to say that child staff ratios are the primary indicator of quality and therefore the more children per caregiver the lower the quality, and hence the worse the center, particularly those which meet the mandatory licensing standards with tolerance. The battle to some degree was lessened with the lowering of requirements by the Day Care Section within DHR. However, within the context of the war, I believe the discussion of ~~duplication~~ ^{duplication} currently under way has escalated the battle into a full fledged war. You and I in this room right now will wear our battle scars for years over this very issue. This fight in fact has divided further old warriors and has done little to further the welfare of children and families in this state. The only possible beneficiary will be certain state employees who will either have the ~~status or~~ position or power enhanced. Tax payers could and should be angry over the inability of departments or divisions within State Government to put aside issues of turf protection and over the apparent inability of decisionmakers to seek new and cost efficient ways of administration and regulation.

The North Carolina Day Care Association Executive Board recognized the escalation of the battle and as a result appointed a committee to review the issue. The work of the committee was constrained only by the attempt to view the issue outside the context of the long running battle and constrained by the need to remove the issues from the personalities involved. The committee composed of members of the Executive

Board began its work by asking for opinions from what can best be described as experts in the field of policy and administration of child care at a state level. We reviewed their opinions and began. I believe that you have a copy of our recommendations.

Our first recommendation is that a division of child care be established in a single state department. Why did we reach such a decision? It is a fact that only six states have divided these functions. More often than not they are divided between health and social services departments. It is a fact the increasing financial pressures will force even these states to consolidate and streamline governmental functions. It is poor stewardship of limited public dollars to have two state offices providing sometimes contradictory instructions to local child care centers. Further, providers across the state cannot understand why more than one regulator comes into their centers when providers themselves cannot hustle up enough travel money to send their staff to much needed training sessions. Tax payers if they but knew would not and could not understand the allowance of such financial mismanagement. Neither could they understand how it is possible for state employees to perpetuate such confusion by total lack of cooperative efforts which are meaningful.

Our second recommendation ^{pertains to} ~~regards~~ the movement of the NC Day Care Licensing Commission ~~to the Department of Human Resources~~ as a body so that a single policy group will have the review of the entire child care scene in the state. We would further envision a complete restructuring of the staff and functions of the OCDCL and the Day Care Section within DHR and perhaps employ a new administrator who would oversee the new division and creatively put together people and functions in a more cost efficient manner.

with a net staff reduction possible

Why did we reach such a decision? Current policy decisions are reached by the Day Care Licensing Commission and the Social Services Commission among others.

The fragmentation of the development of policy has contributed to the current state of confusion and in fact has little to dispell doubts or fears or contribute to provider concensus.

The third recommendation grew out of a realization that unless these changes are passed through legislation, we may find ourselves in a position of retreating from the gains made through consolidation. Subsequent Governors may not have the understanding or committment that is present in this administration.

Our final and fourth recommendation occurred after the ones I have mentioned were consigned to paper. We made the decision to make the recommendation to place the newly organized division within the Department of Human Resources. Why did we make that decision? The fact of the matter is that Norris Class, one of the foremost experts on regulation in the nation said that he never understood why day care regulation was placed in the Department of Administration. Regulation of child care is somewhere in or near a social services agency in all but four states in the nation. Three of these states place their regulation in health departments. And then there is North Carolina ^{which} ~~who~~ places its day care regulation in the department of administration, surely far removed from other regulator functions of state government. It appears to me that placement within DOA occurred as a result of the old battle between old warricrs some of whom mistrust DSS with a vengeance and who continue to mistrust DSS ten years later. It does little good to discuss what has passed. Constructive thinkers should not be confused

by tales of old battles.

As you can see, the decisions that were reached did not deal with past track records or either the Department of Administration or the Department of Human Resources. We deliberately avoided discussions of over funding or under funding of agencies or staff. A discussion of how DHR has too much money is a discussion doomed to produce no constructive solution and I call such discussions "who shot john" arguments when the fact is "john is dead" The point we came to realize is that all the money of both agencies combined is not being used efficiently as long as two separate entities remain. We did not discuss legal mandates as it is obvious that legal mandates come and go as laws change and are revised as times change. Times have changed whether we like it or not.

Decisions were reached after careful consideration of the functions of state government related to the administration and regulation of child care. We went further to propose additional functions that are being done poorly or being done not at all, for example long range economic planning and evaluation.

As you hear and review the various configuration of the proposals, you will begin to see how they contribute little to the issues tax payers want to hear about. i. e. efficiency and consolidation. Anything less than full and creative consolidation makes a mockery of the tax payer who in fact pays all these salaries.) If full consolidation is not

The Governor has said he intends to increase teacher salaries perhaps by cutting admin's salaries and program expenses. I urge him to start here.

state tax revenue will remain. We cannot allow ourselves to be swayed by old battlers harboring old grudges or by turf protecting state ~~employees.~~ ^{overseers} The contortions that strike at a compromise between the involved departments are taking place because someone has listened to old battle tales and has seen old battle scars. The fact of the matter is that rarely has a recommendation regarding this matter been struck with the interests of children and providers in mind. Instead in fact anything less than a complete revision and streamlining of the system is a farce and an affront to providers and the children with whom we work to say nothing of a total disregard for the taxpayer who in fact foots these bills. Tax payers must become aware of how government responds to their pleas for efficiency.

Members of the North Carolina Care Association adopted the positions in Executive Session and presented it for review at its annual meeting.

While I am sure there were some present who did not fully understand the issue and all of its implications, I am also sure there are many who do understand the ~~propelling force of the publicity of monitoring and training.~~ ^{problem duplication of} I consider the issues involved as complex and arguments can be drawn on all sides. I feel the compelling argument is that we in this state can use our resources, increasingly limited, more wisely. We would ask that the committee review our recommendations and proposals and where appropriate draft legislation to affect these changes.

Again, thank you for the opportunity to talk with you.

Newberry

COUNCIL FOR CHILDREN
DAY CARE POSITION PAPER
PRESENTED TO THE DAY CARE LEGISLATIVE STUDY COMMISSION
NOVEMBER 17, 1982

North Carolina has a higher per cent of mothers who are working than any other state. Unfortunately, we have child day care licensing standards that are among the lowest in the nation; there are no state standards for family day care homes; and we have no system on the state or local level for coordinating day care needs and resources.

Working parents need safe and reliable child care options. Children need safe, healthy, and stimulating environments that enhance their growth and development. To protect its children and to help insure that they have the opportunity to develop to their potential, the Council for Children makes the following recommendations to the Day Care Legislative Study Commission.

Graded System of Day Care Licensing

The Council for Children recommends that a graded system of day care licensing be established with three levels of care. The labels used to designate the levels of care should be easily understood by consumers.

Current standards should be the standards for the lowest level of care with the exception that the center should be required to develop and implement an annual staff development plan in accordance with rules adopted by the N.C. Day Care Licensing Commission.

The second level of care should require 30 square feet of indoor space, 75 square feet of outdoor play area, and 240 cubic feet of air space per child. Each center should be required to develop and implement an annual staff development plan with a minimum of six hours of child related training per year for the director, teachers, and teacher aides in accordance with rules adopted by the N.C. Day Care Licensing Commission.

The second level of care should require the following child/staff ratios:

<u>Age</u>	<u>Ratio</u>
0-12 mos.	1:6
13-24 mos.	1:7
2 years	1:9
3 years	1:12
4 years	1:15
5 years	1:20
School age	1:22

The top level of care should require 30 square feet of indoor space, 100 square feet of outdoor play area, and 240 cubic feet of air space per child. Each center should be required to develop and implement an annual staff development plan with a minimum of 12 hours of child care related training per year for the director, teachers, and teacher aides in accordance with rules adopted by the N.C. Day Care Licensing Commission.

The top level of care should require the following child/staff ratios:

<u>Age</u>	<u>Ratio</u>
0-12 mos.	1:5
12-24 mos.	1:6
2 years	1:7
3 years	1:10
4 years	1:12
5 years	1:15
School age	1:20

The minimum qualification for staff in all levels of care should be as follows:

- A. No person should be an operator of nor be employed in a day care facility who has been convicted of a crime involving child neglect, child abuse, or moral turpitude, or who is an habitually excessive user of alcohol or who illegally uses narcotic or other impairing drugs, or who is mentally retarded or mentally ill to an extent that may be injurious to children.
- B. Each day care facility should be under the direction or supervision of a literate person at least 21 years of age with a minimum of the following educational experience:
 1. A Bachelor's Degree from an accredited college or university and 6 months verifiable experience as a child care staff member in a Licensed Day Care Center, or
 2. A 2 year Associate Degree in Child Development and 2 years verifiable experience as a child care staff in a Licensed Day Care Center, or
 3. A High School or General Education Diploma and 3 years verifiable experience as a child care staff in a Licensed Day Care Center.

- C. A teacher at a day care facility should be literate and at least 18 years of age with a minimum of the following education and experience:
1. A 4 year degree from an accredited college or university, or
 2. A 2 year Associate Degree which included a supervised child care practicum, or
 3. A High School or General Education Diploma and one year verifiable experience as a child care staff in a Licensed Day Care Center.
- D. A teacher aide at a day care facility should be literate and at least 16 years of age, should have at least an eighth grade education, and should work under the direct supervision of a person who meets teacher qualifications.
- E. A facility using volunteers should meet the following conditions:
1. A written plan for the orientation, training, and use of volunteers should be developed and implemented,
 2. A staff member should be designated to assign, supervise, and evaluate each volunteer,
 3. A schedule of the hours and activities of the volunteers should be maintained, and
 4. If a volunteer is counted in the staff/child ratio, he/she should meet the same standards as a teacher or teacher aide.

There should be no cost involved for a center that wishes to upgrade from meeting minimum standards to a higher level of care.

Centers found to be out of compliance with the standards for the lowest level of care should be given a 30 day grace period to come into compliance except for violations of child/staff ratio, space, and staff qualifications.

Centers with a higher level of license who are found to be out of compliance with that level of care should be given 30 days to come into compliance before the level of license is changed. Levels of license should not be lowered without a hearing unless the center waives its right to a hearing.

Over-enrollment Tolerance

Current North Carolina law allows day care centers to enroll 20% more children than the number for which it is licensed. Such over-enrollment limits the ability of staff to adequately supervise the children in their care.

Some licensed day care centers claim that they need to over-enroll to compensate for withdrawals without notice and absenteeism.

The Council for Children recommends that the over-enrollment tolerance for all day care centers be eliminated and that the N.C. Day Care Licensing Commission be granted authority to authorize a center on a quarterly basis to over-enroll by no more than 10% of the number of children for which it is licensed. No center is to be granted a tolerance unless it can document that it does not charge for the days a child is absent and/or does refund payments made in advance when a child is withdrawn without notice.

Contested Cases

The entire fifteen member N.C. Day Care Licensing Commission serves as the administrative appeal body that determines all issues related to the issuance, renewal, and revocation of day care licenses. Because of the infrequent meetings of the full commission, proceedings are unnecessarily slow. The only sanction available to the Commission is revocation of the license. This is a drastic measure, and one not often taken. There are no civil penalties for violations of the licensing laws that do not warrant closing down the center.

The Council for Children recommends that the Secretary of the Department of Administration be authorized to designate one or more hearing officers with the power to issue, renew, or revoke a child day care license. The hearing officer should further be empowered to issue a written warning and request for compliance, to issue an official written reprimand, to place a center on probation, to suspend a license for up to one year, to permanently revoke a license, or to impose fines up to \$1,000 for violations of the licensing laws.

All decisions of the hearing officer should be subject to judicial review in the jurisdiction of the day care center.

Family Day Care Plans

North Carolina law requires that day care arrangements in which any person provides day care for more than one child and less than six children on a regular basis be registered with the office of Child Day Care Licensing. There are no required health or sanitation standards for such day care plans; nor are they required to meet the building, fire, and sanitation codes of the state day care licensing standards. The state office does not monitor the plans that are registered.

The Council for Children recommends that state standards for the registration of family day care plans be established that require an annual sanitation and fire inspection. An existing county agency, such as the Health Department, should be designated to administer the standards and to monitor compliance on an annual basis.

The director of the county agency should be given authority to issue a written warning and request for compliance, to issue an official written reprimand, to place a plan on probation, to suspend a registration for up to one year, to permanently revoke a registration, or to impose fines up to \$500 for violations of the standards.

Decisions of the Director should be subject to judicial review in the local jurisdiction.

Community Based Day Care Coordinating Agencies

An adequate, well coordinated child day care delivery system is needed in each county of North Carolina.

Project Connections, a three-year study jointly funded by the Administration for Children, Youth, and Families and the Ford Foundation, examined the benefits of day care coordinating agencies. The study found that these organizations offer a greater range of services for parents, providers, and the community-at-large, all of which are designed to improve the overall delivery in the day care system. These functions include technical assistance to day care centers and family day care homes; bringing of unlicensed homes into the licensed stream of delivery; providing community planners with information about local supply and demand; counseling parents about what to look for in day care; and providing special supports for specific parents groups, such as single parents and parents of handicapped children. Project Connections concluded that such services help to balance supply and demand, encourage socio-economic mix of children, make other services more accessible and improve the quality of day care.

The Council for Children recommends that each county in North Carolina be encouraged to establish a day care coordinating agency and that the N.C. General Assembly appropriate \$500,000 each year of the 1983-84 biennium for demonstration grants. Grantees should be required to have 50% local matching funds and to demonstrate commitment on the local level to assume full responsibility for funding the organization within three years.

State Tax Credit for Employer's Day Care Assistance

Quality day care requires a sufficient number of well-trained staff to provide adequate care for the children. Low wages continue to be a problem in day care creating a high rate of staff turnover. Improving the quality of day care is costly and can easily place it beyond the ability of most parents to pay.

The state can help to make more funds available for parents to purchase quality day care by granting employers a tax credit for assisting employees with their day care expenses.

Currently North Carolina state law permits a deduction for employers who assist employees with day care costs. A tax credit would be more attractive and thus more of an incentive to employers because it would give them full credit from the actual tax burden. An itemized deduction only gives the employer a percentage of savings based upon the rate of tax paid. The credit should be available for any type of employer involvement - tuition grants to the employee or the actual provision of day care through on-site or off-site consortium care.

Division of Child Day Care

Currently there are two state offices and three state boards that address child day care. This leads to fragmentation, duplication of effort, and unnecessary expenditures of taxpayers' dollars. The Council for Children supports the combining of the Division of Day Care Services and the Office of Child Day Care Licensing in a Division of Child Day Care within the Department of Human Resources as well as the establishment of a Child Day Care Commission that combines the roles of the N.C. Social Services Commission as they relate to day care, the Day Care Advisory Council, and the N.C. Day Care Licensing Commission. There should be equal representation of child care providers, citizens and parents on the Commission.

The functions of the Commission should be to set policy and to recommend legislation.

smb/10-4-82

October 28, 1982

The Honorable Louise Brennan
Chairperson, Day Care Study Commission
2101 East Dilworth Road
Charlotte, North Carolina 28203

Dear Representative Brennan: *Louise*

I am writing to express my regrets that I will be unable to attend the next committee meeting on November 17, 1982, and to convey to you my position on the duplication of efforts issue. Unfortunately I must be out of town when the committee meets, but I am requesting that this letter be read to the full committee at the meeting in order that my position be known.

In reviewing the duplication question it appears that it is a very important one to the day care community as well as to all of us interested in more efficient and effective use of our taxpayer's money. Therefore, it is a highly appropriate issue for this committee whose goal is to improve day care in North Carolina.

I have discussed the various proposals of the North Carolina Day Care Association and other groups with my constituents both within and outside of the day care community. I have also read the provisions of North Carolina law related to the State's involvement in day care. Having done so, it is my belief that no legislation is required in order to resolve this issue and improve services. What is needed is full implementation of the state law through the position taken by the Child Day Care Licensing Commission at its September meeting. The Commission's position is that the training and regulatory functions for day care in the Department of Human Resources and all the dollar resources for those areas be transferred into the Office of Child Day Care Licensing of the Department of Administration. This position would place resources with legal functions and appears to be the simplest way to maximize use of current resources without getting into a legislative battle over major changes in the functions of the Commission. Attempts to change the powers and duties of the Commission may detract from other needed legislation relating to enforcement that this Committee has developed and intends to introduce. Therefore, I feel that we must do whatever we can to eliminate duplication with as little legislation as possible.

Again, I apologize for being unable to attend and express my position on this matter in person. I look forward to working with the Committee in the future to improve the care for all of our children in day care in North Carolina.

Sincerely,

Margie

Rep. Margaret Keesee

cc: Senator William A. Creech
P. O. Box 826
Raleigh, North Carolina 27602

POSITION STATEMENT

DIAN S. ROWAN

DIRECTOR, CREATIVE CENTER FOR CHILDREN

MEMBER, NORTH CAROLINA DAY CARE ASSOCIATION EXECUTIVE BOARD*

Creative Center is a private tax-paying center in High Point, North Carolina, holding a AA License for 159 children. It is also a Level II certified center and has forty-two slots allotted to the purchase of care program.

*This statement represents only my personal views and is not the position of NCDCA

Lauree,

Read # 1 - this is why I don't think that there should ever be one division.

Dian

We need to go see Jertaw's operation!

I wish to thank current administration, the legislature and the Office of Child Day Care Services for establishing state monies for the purchase of care program. This has increased the availability of subsidized care to parents and allowed participation by private centers for the first time. This very program, however, has caused additional duplication of services between the Office of Child Day Care Licensing in the Department of Administration and the Office of Child day care Services in the Department of Human Resources. North Carolina, which is the sixth largest day care state in the nation, is poor in terms of funding. Therefore, we cannot afford to allow duplication of services to drain money which could be better spent in other areas. On the surface it would seem that combining all day care into one division would best solve this problem. After much consideration, however, I feel that this would be an unwise move. Instead, I believe that this study committee should adopt the position of the Child Day Care Licensing Commission which would place all training(technical assistance) and regulatory functions and all of the personnel and dollar resources for these areas in the Office of Child Day Care Licensing in the Department of Administration. It would leave all fiscal and purchasing functions in the Office of Child Day Care Services in the Department of Human Resources. This proposal is preferable for three reasons.



I. Purchase of service and regulation should not be integrated.

According to Norris Class, regarded as the foremost authority on day care licensing in the United States, purchase of care and regulation have incompatible goals. Regulation frequently suffers in a day care division committed to purchasing care for the largest number of children possible. Norris Class said, in a paper presented November 11, 1982, to NAEYC that there must be "a diversity in administrative organization in respect to the two operations." to maintain the integrity of the system. David Beard, Director of Day Care Licensing for the state of Texas, stated that Texas originally had both functions in one division. This situation was changed due to problems caused by purchase goals becoming the major thrust of the division.

II. There is concern about the budget of the Office of Child Day Care Services.

Naturally, it is inappropriate to compare out of hand the budget of \$650,000.00 of the Office of Child Day Care Licensing and \$1.3 million for the Office of Child Day Care Services and make judgements based on these comparisons. It is obvious, however, that The Office of Child Day Care Services is not acknowledging the enormous amount of funds that actually go into monitoring and implementing the purchase of care program. Rachel Fesmire gave the study committee a figure of \$154,000.00 spent on program approval. She further stated her thirteen field day care specialists were responsible for compliance, technical assistance, program and policy planning and budget development. With the exception of budget development, these are the same duties that are performed by a AA consultant in the Office of Child Day Care Licensing. Budget development is not that involved, as all centers in a territory do not submit a budget. In most cases the centers that do submit budgets have competent center directors or program administrators to handle this assignment. It seems, therefore, that the majority of staff and budget assigned to the Field Service Branch of the Office of Child Day Care Services is actually duplicating work being performed by the Office of Child Day Care Licensing. Based on figures obtained from the Department of Human Resources, the true cost of inspecting the five hundred centers in the purchase of care program is close to \$500,000.00. Also, we must analyze the fiscal roll that the County Department of Social Services

play in the delivery system. Most of the one hundred counties in North Carolina employ a full-time director of day care services. This position coordinates the purchase of care program for the county. This person establishes and signs all contractual agreements, sets fiscal policy and supervises reimbursements to providers. County employees place children in centers and determine their eligibility, follow-up on children in care and write reimbursement checks. In Guilford County five full-time employees of the Department of Social Services, not including intake workers, perform duties primarily for the purchase of care program. It is obvious that the Office of Child Day Care Services could afford to redirect staff and budget in the monitoring area to the Office of Child Day Care Licensing without a reduction in services.

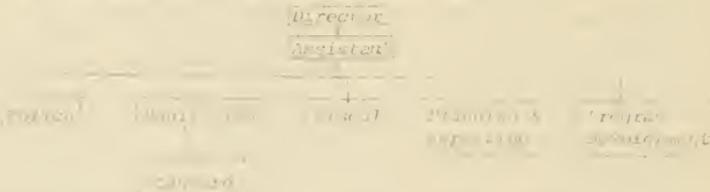
III. The Department of Administration and the Office of Child Day Care Licensing already have necessary mandates in place.

In 1971 the General Assembly gave broad authority to the Child Day Care Licensing Commission and the Department of Administration to monitor and upgrade all child care centers. It also gave them the authority to provide technical assistance, training and public awareness information to child care providers and the community at large. Unfortunately, North Carolina has never placed resources with these mandates. The Office of Child Day Care Services does not have as definitely defined mandates, except those that relate to all funding programs. This is especially true since the federal government no longer ties block grants to any set of day care standards. Actually, if both offices were retained and restructured along the lines of their original mandates we would see a virtual end to duplication. This would require much less legislation than a transfer of the program to the Department of Human Resources. There is much that this committee wishes to accomplish in the areas of enforcement and upgrading of standards. I fear that a legislative fight regarding duplication, which will result if there is a proposal to move the mandates, could undermine other essential legislation. The Office of Child Day Care Licensing has done an excellent job with limited funding serving 2200 centers in North Carolina. We need to support them with necessary staff and budget. In a time of austerity and budget cut-backs it is unrealistic to assume that this could be accomplished through expansions budget requests. It makes sense to accomplish this through a transfer that will not decrease services but actually improve child care licensing and delivery of care for all children in our state.

I am not one of the old warriors alluded to by Susan Law and I do not bring old grudges or paranoias to my comments on this issue. I also do not have her faith that all of our goals could be accomplished through legislation. We must take a realistic look at the current day care situation and set our priorities regarding necessary change. We must be willing to compromise, if necessary, to adopt legislation needed to safeguard our children. I look forward to working with you as we take productive, progressive steps for day care in this state.

- I. The Office of Day Care Services and Child Care shall be reorganized into Division of Child Day Care within the Department of Human Resources.

A. Division to have the following structure:



- B. A commission shall be established to combine the roles of the Child Care Advisory Council, the Governor's Council on Child Care, and the Day Care Licensing Commission.

1. Commission to have 15 members:

1. Five representatives from providers, one of which shall be a non-government provider, and five representatives from parents and three from non userbase or state.
2. Three citizen members, one of which shall be a pediatrician or health care professional not employed in the direct delivery of care, one representative at the executive level of the business community, a child psychiatrist or psychologist, and a social worker.
3. Five parents, one each from the designated area in (1).

2. The commission to be chaired by one of the citizen members designated to the Governor.

1. All members to be appointed by the Governor.
2. Terms of office three years.
 - a. Starting the year shall be 1 year for 1, 2 years for 2, and 1 year for 3.

C. Mission:

1. To protect the well-being of children, day care.
2. Set policy.
3. Recommend legislation.

II. Licensing

A. Amend Title 10, Part 100 Licenses.

1. Child Day License (present A and B) (optional)
 - a. Mandate if shows center provides care, standards are not in place.
 - b. Those who wish to enter the business will have to meet additional requirement - found 1 - voluntary.
2. Child Day Home License (present Part II) -
 - a. If a non-profit center meets the social, emotional, and educational needs of children.
 - b. May not be eligible for higher level of licensing.

XII. Contested Cases

1. All arbitrations are to be held in accordance with the rules of the American Arbitration Association.

XIII. Contested Cases

- A. A hearing will be held at the discretion of the arbitrator.
- B. The arbitrator will consider all evidence and testimony and recommendations submitted by the Director, the Union, and the Service.
- C. The hearing will be held at the discretion of the arbitrator.
 1. The hearing will be held at the discretion of the arbitrator.
 2. The hearing will be held at the discretion of the arbitrator.
- D. The hearing will be held at the discretion of the arbitrator.

APPENDIX E

AN AGREEMENT FOR COOPERATION
BETWEEN
THE DEPARTMENT OF HUMAN RESOURCES
AND
THE DEPARTMENT OF ADMINISTRATION
IN CHILD DAY CARE

THE OFFICE OF CHILD DAY CARE LICENSING, DEPARTMENT OF ADMINISTRATION, is a regulatory agency responsible for licensing child day care facilities so that they can do business in North Carolina. They have the following responsibilities:

1. To enforce the mandatory licensing standards outlined in state law (Article 7, Chapter 110 of the North Carolina General Statutes) which cover such things as sanitation, a lunch that is nutritionally adequate, a building that satisfies building and fire code requirements and passes inspection, an immunization record for the children, and minimum space and child/staff ratios (A license).
2. To register day care plans which are arrangements where a person provides day care for more than one child but fewer than six. Such plans are not regulated by the A licensing law.
3. To provide technical assistance and information which is directly related to helping the community and the provider understand the mandatory licensing standards (A license) and the day care plan registration process.
4. To work with DHR and other agencies to develop an annual plan for public information. OOA will convene this group.

THE OFFICE OF DAY CARE SERVICES, DEPARTMENT OF HUMAN RESOURCES, is responsible for working with industry, church and community groups, private-for-profit day care providers, public agencies and other interested groups in order to design and organize a statewide child day care program to meet the needs of North Carolina children and their families for quality, affordable child day care services. Specific responsibilities are as follows:

1. To make quality and affordable child day care services available to families in need of care by building partnerships with churches, community groups, private industry, and all levels of government. The Office of Day Care Services will promote and facilitate the development of day care services throughout the state by working with the industry/ARC linkage, Head Start/day care linkage, and providing technical assistance to churches and industry for the purpose of expanding their involvement in day care.

2. To manage the expenditure of public funds available for the purchase of child day care services for the children of low-income families. This includes the following activities:
 - a. Allocating, contracting and reimbursing funds to county department of social services and state-level contractors;
 - b. Establishing eligible reimbursement rates for all day care facilities receiving public funds;
 - c. Developing and enforcing policies concerning child and family eligibility (this includes income scales, fees, and definitions of target groups);
 - d. Developing and enforcing policies concerning program standards which must be met in order to receive public funds (this includes centers, homes, and individual child care arrangements).
 - e. Providing technical assistance to all county departments of social services, state-level contract agencies, and day care centers, family day care homes, and child caregivers who provide care to children receiving public funds;
 - f. Developing reports that provide required information for the General Assembly and funding source agencies; and
 - g. Documenting accountability for the proper expenditure of public resources.

3. To approve day care centers who meet program standards higher than the mandatory A license. These program standards will be used to:
 - a. Approve facilities wishing to participate in the subsidized program including mental health developmental day care centers; and
 - b. Recognize facilities which voluntarily provide programs higher than called for in the mandatory A license law.

- * The Office of Day Care Services will not monitor those items covered in the mandatory A license law.

In addition, the Office of Day Care Services will approve homebased care arrangements for participation in the subsidized system.

4. To work with DOA and other agencies to develop an annual statewide training plan. DHR will convene this group. The training plan will be related to the job people are performing. The Office of Day Care Services will be responsible for mobilizing resources and for linking trainees with these resources.

The community college system will be the primary deliverer of training. The Office of Day Care Services will work with them to identify training needs, develop courses, and recruit trainees.

In addition, the Office of Day Care Services

- a. may contract with the university system and/or other agencies such as the Agricultural Extension Service for specialized training or materials;
 - b. will work with other Department of Human Resources divisions/programs to provide for specialized training related directly to child day care.
 - c. will provide technical assistance directly to providers, contractors, and purchasing agencies on issues that relate to receiving public funds for child day care.
5. To serve as a clearinghouse for information and technical assistance to individuals, community groups, agencies, and industries concerning
- a. the extent of need for child day care services and their availability throughout the state; and
 - b. the characteristics of quality child day care programs.

These responsibilities will be accomplished in part by working cooperatively with the DHR Careline Program and through follow-up provided by the field staff of the Office of Day Care Services.

6. To analyze cost and to project need and demand for service and program activities in order to provide the foundation for establishing rates, program standards, and other state policy. To work with other institutions to evaluate the program's effectiveness.

LIAISON BETWEEN COMMISSIONS

A representative of the Day Care Advisory Council in DHR will attend meetings of the Day Care Commission in DOA and a representative of the Day Care Commission in DOA will attend meetings of the Day Care Advisory Council.

STANDARDS

The Governor will call for a conference of representatives of all affected boards, commissions and agencies for the purpose of developing a graduated set of standards recognized by all departments and agencies. A neutral party will act as convener of this conference.

The Deputy Secretary of the Department of Human Resources and the Deputy Secretary of the Department of Administration are responsible for working for and assuring implementation of the foregoing Agreement through their respective programs including review of any complaints about breach of Agreement by either party. They are also responsible for receiving and reviewing progress reports on the implementation of this Agreement every six months.

NORTH CAROLINA DEPARTMENT OF
HUMAN RESOURCES

BY: Lucy Nance Bode
TITLE: Deputy Secretary
DATE: December 6, 1982

NORTH CAROLINA DEPARTMENT OF
ADMINISTRATION

BY: Henry McKay
TITLE: Deputy Secretary
DATE: 6 December 1982

The Day Care Agreement calls for the following:

Collaborative Efforts

- Annual plan for public information jointly developed by DOA, DHR and other interested parties. DOA will convene the group.
- Annual statewide training plan jointly developed by the Department of Community Colleges, DHR, DOA and other interested parties. DHR will convene the group.
- A graduated set of standards recognized by all departments and agencies. The Governor will call for a conference of representatives of all affected boards, commissions and agencies for the purpose of developing this set of standards. A neutral party, like the Frank Porter Graham Center, will act as a convenor of this conference.

DOA

- Will evaluate all child day care facilities for compliance with mandatory A license standards.
- Will provide technical assistance and information related to A license.
- Will register day care plans and maintain up to date records on day care facilities.

DHR

- Will administer purchase of care program.
- Will provide technical assistance and support for resource and referral systems.
- Will approve day care facilities which meet standards higher than those required for A license.
- Will promote development of quality day care.

Community Colleges

- Will be "presumptive trainers."

